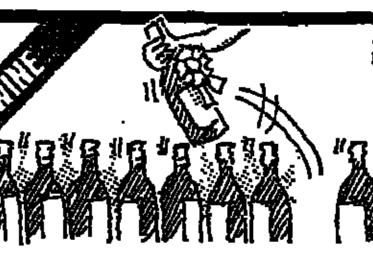
FINANCIAL TIMES

PUBLISHED IN LONDON AND FRANKFURT

No. 29,598 | Saturday April 13 1985 | ***35p

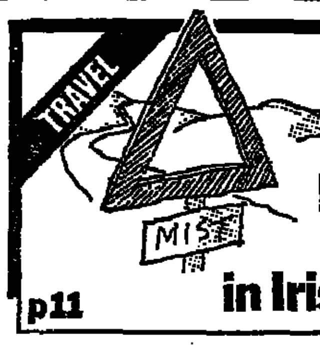
SAVINGS AND INVESTMENTS — The mortgage queue grows p8

WINE — The best of 1984 p15



FEATURES — U.S.-JAPAN TRADE RELATIONS p16 Suddenly the mood turns ugly — p17 UK ESTATE AGENTS Revolution among the For Sale boards

TRAVEL — Bogged down in Irish mists p11



HOW TO SPEND IT — FASHION An expert eye on your wardrobe p13

WORLD NEWS

'Rhoda the Rhino' jibe at Thatcher

Shadow Foreign Secretary Denis Healey yesterday sharply criticised Mrs Thatcher's performance during her Asian tour.

He accused her of spending most of her time "gloating to foreigners" about her "humiliation" of British trade unionists, pausing only to "rubbish her cabinet colleagues like poor Sir Keith Joseph." He said: "Rhoda the Rhino has never had a more ruinous rampage."

Labour leader Neil Kinnock also attacked her for "parading her prejudices and defaming her own people." Back Page

BA sets Laker deadline

British Airways gave Laker Airways creditors until Wednesday to accept a deal, thought to be worth £47m, settling claims arising from Laker's collapse in 1982. Back Page

Polish sanctions claim

Western sanctions on Poland had hindered the liberalisation which the West hoped to promote, Polish leader Gen Wojciech Jaruzelski told Foreign Secretary Sir Geoffrey Howe in Warsaw. Page 2

Anger at Reagan visit

An angry row blew up over President Reagan's plan to visit a German military cemetery while in Germany next month, after deciding not to go to Dachau concentration camp. Page 2

Spanish abortion moves

Spain's Government drew up plans to ease abortion laws, after the highest court rejected its original draft as unconstitutional.

Calm over airport fears

British airlines reacted calmly to reports that Spanish air controllers were complaining about "dangerous" conditions at many Spanish airports. Page 4

MP to stand again

Brent East Labour MP Reg Freeson, said he would stand for re-election, opposing GLC leader Ken Livingstone's attempt to be nominated as candidate.

Centrist tipped in Peru

Centrist opposition leader Alan Garcia was tipped to win tomorrow's presidential and congressional elections in Peru. Page 2

Tokyo fire bombs

Fire bombs launched from a truck closed Tokyo's Narita airport for 90 minutes. Police blamed protestors objecting to the building of a second runway.

Sudan talks 'progress'

Civilian groups reported progress in talks with Sudan's military rulers on setting up a caretaker government. Khartoum airport reopened after an eight-day closure. Page 2

16 die as train hits bus

Sixteen people died and 14 were injured when a freight train hit a bus at a level crossing in Buenos Aires.

Jane returns at 53

Comic strip character Jane, a feature of the Daily Mirror from 1932 to 1959, is to return to help to help boost flagging sales. Publisher Robert Maxwell said she would teach readers how a video works and how not to get Aids.

BUSINESS SUMMARY

Entrad raid nets 28% of Tootal

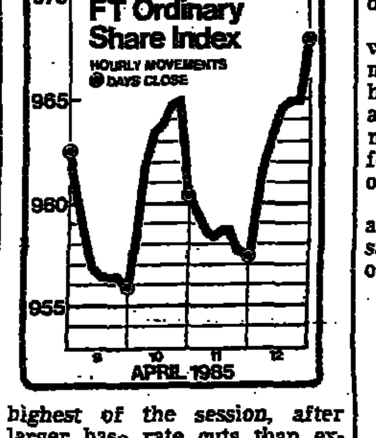
TOOTAL, Textile and thread group, was target of a Stock Exchange raid by Australian textile group Entrad which netted 28 per cent of the UK company for which it is offering a total of £128m.

Entrad also challenged Tootal's profit estimates but this was dismissed as the work of a "fertile Australian imagination."

AUSTIN ROVER, volume car division of BL, and Honda have acknowledged they are looking at much broader collaboration, including spare capacity to assemble the Japanese car company's models for UK sale.

A formal announcement of the alliance is expected by mid May by which time BL's corporate plan is due to have received final approval. Back Page; UK car output, Page 4

STOCK EXCHANGE enjoyed its best day for several weeks with the FT Ordinary Share Index closing 10.4 up at 967.8, the highest of the session, after larger base rate cuts than expected from some banks surprised markets. Page 22



BANK OF ENGLAND has set a May 3 deadline for applications from financial groups seeking to become market makers in the restructured securities market. Back Page

JAPAN'S Prime Minister Mr Yasuhiro Nakasone admitted his country had miscalculated in handling car exports to the U.S. by setting a specific figure. Back Page

WEST GERMANY is further liberalising its capital markets by letting foreign banks' subsidiaries lead manage foreign D-Mark bond issues from May 1. Japanese banks will be excluded until Japan opens its financial markets further. Page 19

BRITISH RAIL warned the National Union of Railwaymen it would take legal action if the NUR proceeded with a one day strike in Scotland against job losses. Page 4

DRUGS PRICES: Nearly all leading pharmaceutical companies supplying the National Health Service have agreed to cut prices in line with Government targets. Page 4

BRITISH PETROLEUM-led oil consortium at Wytch Farm, Dorset, has received planning permission to start expanding production from 5,000 to 60,000 barrels a day. Page 3

HAWKER SIDDELEY, electrical and mechanical engineer, reported pre-tax profits of £151.5m last year against £137.5m after overseas operations offset lower UK returns. Page 18

U.S. offers to host monetary meeting

BY DAVID HOUSEGO IN PARIS

THE U.S. offered yesterday to host a meeting of industrialised nations to consider improvements in the working of the world monetary system. The move was widely interpreted as an attempted reassertion of U.S. economic leadership.

The unexpected initiative, announced by Mr James A. Baker, the new U.S. Secretary of the Treasury, at the annual meeting in Paris of the 24-nation Organisation for Economic Co-operation and Development, drew a mixed reception.

Some participants thought it reflected a substantial shift in U.S. attitudes toward greater co-operation in international economic affairs after a long period in which the Reagan Administration had often not heeded the international repercussions of its domestic policies.

The shift comes at a time of increasing U.S. concern that Europe and Japan should pick up the momentum in world growth as the U.S. economy slows down, and of U.S. worries at the dangers of a possible sharp fall in the value of the dollar.

Others took a more cynical view that the hastily-conceived move was an attempt to seize hold of the chairmanship and agenda of a conference on monetary reform that the U.S. feared could otherwise get out of control.

In particular, the U.S. is anxious to resist French pressure that discussions among officials of the Group of Ten major industrialised nations on improvements in the working of the monetary system might be transformed into a major Bretton Woods-style conference on overhauling the international monetary system.

Industrialised nations at their two-day meeting agreed that preparatory talks would start before the end of the summer on the agenda for a new round of multilateral trade talks. But they narrowly failed to set a date for the convening of the new round.

U.S.-Japan trade and Editorial Comment, Page 16
Man in the News and Japan admits car exports "error," Back Page

The communique adopted a compromise formula that these should take place "as soon as possible," with some nations adding in the text their belief that the new round should begin in 1986.

The U.S., which has been most insistent on setting a firm date, seemed fairly confident last night that the French would agree to one at the Bonn summit of industrialised countries next month.

France was the most opposed to fixing a date, but the French have increasingly taken on board the U.S. view that a strong commitment is needed to prevent Congress passing protectionist legislation.

In contrast to recent years there was a surprisingly strong consensus within the industrialised group on the need to continue pursuing present macro-economic policies.

The communique laid emphasis in particular on the need for medium-term adjustments to remove rigidities in the labour market and in other areas of national economies.

The U.S. toned down references in the final communique to the need for cutting the size of its budget deficit, while Japan softened the communique's language on the tensions produced by its trade surplus.

The U.S. initiative was prepared overnight and launched without consultation with America's partners, or with organisations like the International Monetary Fund, which has been at the centre of discussions on reforming the monetary system.

Mr Baker phrased it cautiously, saying that the U.S. was "prepared to consider the possible value of hosting a high-level meeting

In the U.S. view this would focus in particular on convergence of economic policies and assuring exchange rate stability, and on IMF surveillance of countries' economic performance.

Mr Baker said at a Press conference last night that the U.S. was ready to play "a leadership role on monetary issues, and that this is appropriate for the world's largest economy."

Trade Union Act 'would make TGWU poll illegal'

BY PHILIP BASSETT, LABOUR CORRESPONDENT

THE GOVERNMENT indicated last night that the disputed Transport and General Workers' Union election would have been unlawful under the new terms of the 1984 Trade Union Act.

At the same time TGWU leaders in Ireland announced an internal inquiry into allegations of ballot-rigging.

Mr Tom King, the Employment Secretary, who says the allegation about last year's TGWU general secretary election give rise to serious concern, made it clear that the ballot would fall outside the terms of the provisions of the Act when they become law in October.

Mr King's statement was clearly designed as a warning against future malpractices in the TGWU and other unions. But it may be seized upon as an indication that action could be brought against this ballot when the relevant provisions of the law come into force.

While making it clear that he was not commenting on the TGWU election in particular, which was workplace-based, Mr King said last night that the Act contained a clear presumption that all such ballots must be postal.

Only if the vote passed "stringent tests"—of secrecy, of freedom from malpractice and interference, and most importantly, of giving every member the opportunity to vote at a time and place convenient to them—would workplace balloting be sanctioned.

Mr King spelt out these requirements after it had been suggested that the TGWU election would have complied with the Act.

Mr George Wright, Wales regional secretary and runner-up in the election—won by Mr Ron Todd—yesterday repeated his call for a re-run of the ballot.

But he said he did not want a personal and public exchange with Mr Moss Evans the retiring general secretary or Mr Todd.

His call was backed yesterday by Mr John Cousins, general secretary of the Clearing Bank Union.

Mr Cousins, who lost to Mr Evans in 1977 election, supported Mr Todd in the 1984 election, but said the ballot must be held again, by post, under the auspices of the Electoral Reform Society.

He said he was concerned too about irregularities in the 1977 election but said Mr Evans' margin of victory had been so great he had chosen to do nothing.

Mr Todd said it would be "totally inappropriate" to comment.

Meanwhile, Mr John Freeman, secretary of the TGWU's Irish region, announced an inquiry into the ballot there.

Voting in the Irish region has been heavily criticised, including most recently poll evidence on BBC TV's Newsnight programme. This found a turn-out in three key branches less than half that claimed within the union.

Mr Freeman said he had asked the union's officers to give him a complete run-down of the preparations for the poll, including precise details of how and where ballot boxes had been distributed.

McDonnell Douglas in China jet deal

BY TERRY DODSWORTH IN NEW YORK

McDONNELL DOUGLAS, the U.S. aerospace company, is to help China establish a jet aircraft industry under a co-production agreement signed yesterday.

The deal provides for the sale over the next six year of 26 of a version of the group's MD-80 airliner, the MD-82. All but one of these will be assembled in China by the Shanghai Aviation Industrial Corporation, a Chinese-owned company whose 10,000 workers will be trained by McDonnell Douglas.

The St Louis-based group would not say yesterday how much the contract was worth. But based on the current price of between $20m (£15.9m) and $25m for the MD-80, the aircraft alone will cost well over $500m, and the final value of the deal could be in the region of $1bn after spares and training are taken into account.

The Chinese aircraft industry does not make jets at present, although the Shanghai concern recently developed and built a training aircraft. China's national airlines fly two imported MD-80S and some Boeing aircraft.

McDonnell Douglas has been negotiating with the Chinese for the last six years, having clinched an initial manufacturing agreement with them as suppliers of landing gear parts for the MD-80. The U.S. company said yesterday that the Chinese had been excellent suppliers, always delivering high quality products on time.

Under the delivery schedule for the aircraft, a U.S.-built unit will be shipped from the Douglas plant in Long Beach, California, later this year. Assembly of the Chinese-built aircraft, due to go into service in 1987, is due to begin next year from sub assemblies put together in either the U.S. or in China.

To hold to this tight delivery schedule, a training programme involving the exchange of hundreds of workers is due to start shortly.

The twin-engined MD-80, originally launched in 1977, is a derivative of the DC9. It is capable of carrying about 150 passengers up to a range of 2,360 miles. McDonnell has won several recent orders for the MD-80, including a contract from American Airlines for 67 units, with another 100 options.

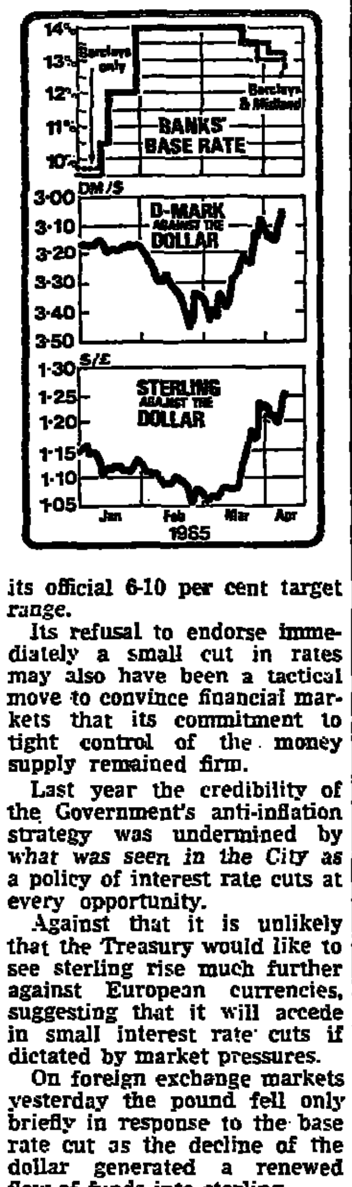
Deadline for Laker creditors, Back Page

Barclays and Midland cut rate

BY PHILIP STEPHENS

BARCLAYS AND Midland banks yesterday cut their base lending rates by ¼ percentage point to 12¾ per cent in response to continuing gains for sterling on foreign exchange markets.

The two banks undercut the 13 per cent rate set in late March by National Westminster and Lloyds as the pound's strength this week against both a weakening dollar and against European currencies brought a significant fall in wholesale interest rates.



The Bank of England, however, which had endorsed the move to 13 per cent, insisted that the dealing rates it sells for its own operations in the money markets would remain unchanged for the time being.

This was seen in the City as indicating that the authorities wanted to see base rates consolidate at 12¾ to 13 per cent and to avoid another leapfrogging move by National Westminster and Lloyds to 12½ per cent.

Barclays would not have made the ¼ point cut, however, without at least tacit approval from the Bank.

National Westminster and Lloyds are expected to see how sterling performs early next week before deciding whether and by how much they might cut their rates.

Building society receipts fall, Page 3
Estate agents: revolution among for sale boards, Page 17
Lex, Back Page

The building societies said yesterday they would need base rates to come down to about 12 per cent before they would review their mortgage rates, currently an average of 14 per cent.

The view in the City last night was that if the dollar continued to fall and the pound appreciated further against European currencies, then pressure would mount for a cut in rates to 12½ per cent.

The Bank of England is keen that interest rates should not fall too quickly until the money supply is under firmer control. Figures published earlier this week showed that sterling M3, the broad money supply measure, was still at the top of its official 6-10 per cent target range.

Its refusal to endorse immediately a small cut in rates may also have been a tactical move to convince financial markets that its commitment to tight control of the money supply remained firm.

Last year the credibility of the Government's anti-inflation strategy was undermined by what was seen in the City as a policy of interest rate cuts at every opportunity.

Against that it is unlikely that the Treasury would like to see sterling rise much further against European currencies, suggesting that it will accede in small interest rate cuts if dictated by market pressures.

On foreign exchange markets yesterday the pound fell only briefly in response to the base rate cut as the decline of the dollar generated a renewed flow of funds into sterling.

The pound closed in London 0.9 cents higher at $1.2570, while gains against other currencies were reflected in a 0.2 point rise in the sterling index to 78.4.

The dollar, which had fallen steadily throughout the week, suffered further losses against all currencies amid generally bearish sentiment on the outlook for the U.S. economy.

It closed in London at DM 3.0510, 2.55 pfennings lower than on Thursday and at its lowest level since last November.

Shuttle blasts senator into space

By Paul Taylor in New York

THE U.S. space shuttle, Discovery, blasted off its Cape Canaveral launch-pad and thundered into orbit yesterday carrying a closely-monitored Senator Jake Garn among a seven-member crew on a much-delayed five-day mission which finally got off the ground with just one minute to spare.

Senator Garn, the 52-year-old Utah Republican and former Navy pilot who flew the B1 bomber years ago "to decide whether it was something I should vote for," heads the Senate sub-committee which overseas Nasa's multi-billion-dollar government funding as well as the powerful Senate Finance and Banking Committee.

He is the first politician to be sent into space—although same wags have suggested he should not be the last.

The Utah Senator, who has for long wanted a shuttle flight, has been accused by other critics of taking the ride "for fun." But he has staunchly defended the trip on the grounds of his responsibility for congressional oversight of the shuttle programme.

Aside from deploying two communications satellites, including a $78m Canadian one owned by Telesat with a "for sale" sign on it, the mission will conduct a wide range of experiments including a detailed school education study of weightlessness.

As part of the study, the crew will observe a colony of house flies and play with a spinning top, jacks, a yo-yo, paper aeroplanes and other toys. But it will not be all fun and games, especially for Senator Garn. He has volunteered to be a guinea-pig for a series of medical tests aimed at studying the body's response to weightlessness and at coming up with some answers to the problem of motion-sickness, which has plagued previous space flights.

As the shuttle raced into orbit 150 miles above the earth, Senator Garn's bodily functions were being monitored by five sensors on his head, four on his stomach and three on his chest.

MARKETS

DOLLAR
New York lunchtime:
DM 3.0575
FFr 9.335
SwFr 2.5665
Y251.25
London:
DM 3.051 (3.0765)
FFr 9.315 (9.395)
SwFr 2.5655 (2.599)
Y250.85 (251.9)
Dollar Index 145.8 (146)
Tokyo close Y251

U.S. LUNCHTIME RATES
Fed Funds 8 5/16%
3-month Treasury Bills: 8.02%
Long Bond: 98 13/32
yield: 11.4

GOLD
New York: Comex April latest $329.5
London: $329 ($331.25)

STERLING
New York lunchtime $1.2545
London: $1.257 (1.248)
DM 3.845 (3.8375)
FFr 11.705 (11.725)
SwFr 3.225 (3.245)
Y315.5 (314.5)
Sterling Index 78.4 (78.2)

LONDON MONEY
3-month interbank:
closing rate 12 7/16% (12¾)
3-month eligible bills:
buying rate 12¼% (12¼)

STOCK INDICES
FT Ind Ord 967.8 (+10.4)
FT-A All Share 614.73 (+0.4%)
FT-SE 100 1,257.8 (+6.5)
FT-A long giltyield index:
High coupon 10.51 (10.51)
New York lunchtime:
DJ Ind Av 1,262.7
Tokyo:
Nikkei Dow 12,588.01 (+14.21)

Chief price changes yesterday, Back Page

CONTINENTAL SELLING PRICES: Austria Sch 18; Belgium Fr 38; Denmark Kr 7.25; France Fr 6.00; W. Germany DM 2.20; Italy L1,300; Netherlands Fl 2.50; Norway Kr 6.00; Portugal Esc 80; Spain Pta 110; Sweden Kr 6.50; Switzerland Fr 2.20; Ireland 55p; Malta 30c.

CONTENTS

For London market and latest share index, 01-246 8026; overseas markets, 01-246 8086.

Howe told of 'perverse effect of sanctions'

BY CHRISTOPHER BOBINSKI AND DAVID BUCHAN IN WARSAW

GENERAL Wojciech Jaruzelski Poland's military leader, yesterday told Sir Geoffrey Howe, Britain's Foreign Secretary, that the Western sanctions policy had had a perverse effect on Poland, hindering the very liberalisation moves which Sir Geoffrey had so stressed during his visit to Warsaw.

In a two-and-a-quarter-hour exchange of views, said to be the most candid that the Polish leader has had with a Western Foreign Minister, Gen Jaruzelski claimed he wanted a Poland without political prisoners, but gave no hint that any of the 100 or so recently arrested would soon be freed.

Sir Geoffrey found that ministers here, unlike in his stops in East Germany and Czechoslovakia earlier this week, invited discussions on internal developments in an effort to win understanding for the Polish Government's predicament.

But nonetheless, the Foreign Secretary went ahead last night with planned meetings with supporters of the banned Solidarity movement and a visit to the North Warsaw grave of the murdered Solidarity priest, Father Jerzy Popiluszko, to sign the visitors' book in the local church there.

Despite the fact that these gestures drew Polish official disapproval and a partial boycott of a British Embassy reception, Sir Geoffrey has detected a "genuine disposition" to improve relations, partly in view of Poland's current political problems with France and West Germany.

Polish Ministers put economic issues to the fore, thanking Britain for its support for Polish membership of the International Monetary Fund, but urging it to provide fresh credit to complete marooned projects in the plastics and tractors sectors begun with British technology.

Sir Geoffrey gave a very qualified hint that Britain would consider extending some new credit, but only after Poland signs the Paris Club agreement rescheduling payments falling due in the past three years, and covering \$12bn (£10.9bn).

Worner under fire over choice of radar system

BY PETER BRUCE IN BONN

HERR MANFRED WORNER, the West German Defence Minister, has run into a storm of criticism in Bonn over his decision to lift objections to the installation of a U.S. air identification system in all Nato aircraft instead of a technically superior system delevoped by Siemens.

The so-called Indentification Friend or Foe (IFF) systems in aircraft and on the ground exchange radar signals which enable them to be identified as frieindly. But the U.S. system, which Herr Worner finally agreed to use during a recent trip to North America, operates on the same frequency bands as current civilian air traffic and the Germans had for many years argued that this could cause confusion.

With the value of orders for thereplacement of Nato's current and antiquated IFF system being estimated as high as \$12bn (£9.6bn), the reaction of disappointed German military officers, industrialists and politicians to Herr Worner's aboutturn has been harsh.

West German news agencies have been quoting unnamed senior officers in the Defence Ministry as being "extremely angry" about the move, calling it "inexplicable" and members of Herr Wörner's own Christian Democrat (CDU) party have accused him of being "ready to do only what the Americans want him to do."

For his own part, Herr Wörner seemed later to be trying to soothe ruffled feathers, arguing that the deal with U.S. Defence Secretary, Mr Caspar Weinberger, remains an "unlaid egg."

Reagan may think again on German graves visit

By Nancy Dunne in Washington

WHITE HOUSE officials say they may reconsider a controversial planned stop-off during President Ronald Reagan's European Trip when he is scheduled to lay a wreath at the Bitburg German military cemetery on May 5 to demonstrate "a spirit of reconciliation."

The visit to the graves of German soldiers has caused an uproar, particularly among Jewish leaders who have already criticised the President's decision not to visit the site of Dachau Concentration Camp.

President Reagan was reluctant to visit the Dachau site for fear of reopening old wounds—"a decision we take strong issue with," said Mr Daniel Thursz, executive vice-president of B'Nai B'Rith International.

"But his willingness now to visit a German military cemetery shocks us, precisely because it reopens old wounds . . . among former American solders, the soldiers of our allies, and the families of all the victims who fell to Nazi Germany's madness."

For the White House, the controversy is the latest in a series of diplomatic dilemmas encountered while trying to stress peace and economic co-operation between former enemies.

The cemetery visit was an attempt to defuse last year's criticism in the German press when Germany was omitted from the observances of the 40th aniversary of the Normandy landing.

The current White House plans call for the President to visit the cemetery, accompanied by West Germany's Chancellor Helmut Kohl, after the Bonn economic summit on May 3-4 and before visiting Bitbug Air Base.

● U.S. producer prices rose a moderate 0.2 per cent in March, the first increase in wholesale prices this year, the Labour Department reported yesterday, Stewart Fleming reports.

Goods other than food and energy were responsible for the increase.

Separately, the Commerce Department reported another increase of 0.4 per cent in business inventories. The Federal Reserve Board reported a strong \$10.37bn (£9.4bn) rise in consumer credit for February.

Doreen Gillespie looks at the prospects for tomorrow's election

Garcia tipped to win Peru poll

THE CAMPAIGN for tomorrow's presidential and congressional elections in Peru wound up here yesterday with commentators tipping Sr Alan Garcia, the 35-year-old leader of the centrist opposition party, Apra, as the likely winner.

Sr Garcia has consistently led the polls, but the electoral laws have prevented any surveys since the end of March. Then he was given a 25 per cent lead.

In a lacklustre campaign with few of the country's serious economic and social problems debated, Sr Garcia has based his appeal on his youth and a call for a new national consensus.

Apra (Alianza Popular Revolucionaria Americana) was formed in the late 1920s by the radical leader Sr Victor Raul Haya de la Torre and has never yet gained power.

However, the chances of an outright victory by Sr Garcia have been lessened by a recent court ruling that includes void and blank votes in the count. Pollsters are predicting that despite symbols to aid illiterate voters, as many as 19 per cent of the votes cast could be null or blank.

In the region of Ayacucho south of here in the Andes, a massive operation has been mounted with 70,000 members of the security forces mobilised to protect voters from death threats by the Maoist guerrilla group, Sendero Luminoso (Shining Path).

Police break up a union demonstration in Lima

Unless the leading presidential candidate gains an absolute majority of the votes cast, a second round will be held in June. Nine candidates are contesting the presidency, the second such election in five years, following 12 years of military rule.

Lima's charismatic Marxist mayor, Sr Alfonso Barrantes, heading a broad left coalition, Izquierda Unida, is the closest rival to Sr Garcia.

A dark horse could be the 66-year-old Sr Luis Bedoya, twice elected mayor of Lima in the 1960s, who leads Convergencia Democratica—an alliance between the right of centre Partido Popular Christiano and a splinter Apra group.

Little chance is given to Sr Javier Alva Orlandini of the ruling Accion Popular. He has suffered from popular disaffection with the economic policies of President Fernando Belaunde Terry.

In the first quarter of the year, prices have already risen by one third and the sole has devalued 45 per cent against the dollar. Economists foresee little short term prospect to make good the 12 per cent drop in growth in 1983. This year the economy is expected to grow only 2 per cent.

Sr Garcia has been deliberately vague in his election programme so as to allow him enough flexibility to fight either a Marxist opponent, Sr Barrantes, or the conservative Sr Bedoya, in the run-off.

Nevertheless, all the main candidates have made tough statements on Peru's \$13bn (£10.6bn) foreign debt. These have all said that debt service should not exceed 20 per cent of exports. Peru has commercial bank arre[illegible] of \$150m and a further \$7[illegible] outstanding to Paris Club governments.

Voters will also elect 180 members to the Lower House of Congress and 60 to the Senate.

Ramphal warns of danger if World Bank talks fail

BY HUGH O'SHAUGHNESSY

DEFAULTS by the world's debtor countries will become increasingly common if next week's talks between developed and developing countries at the World Bank and the International Monetary Fund in Washington fail, according to Mr S. S. "Sonny" Ramphal, the Commonwealth Secretary-General.

Mr Ramphal was speaking in London in advance of the meetings of the IMF Interim Committee on Wednesday and of the World Bank's Development Committee on the two succeeding days.

"Urgent action is needed," he said. "It must not, however, be confined to trade matters as some of the more powerful developing countries are insisting. It must extend to financial and currency matters."

Criticising what he called the developed countries' lack of concern for the debt burdens and financial problems of the world's poorer countries he said: "We have gone from a conspiracy of silence, during which many people pretended there was no debt crisis, to a conspiracy of tinkering

Despite the urgency of the need for action on Third World debt, Mr Ramphal underlined the difficulties facing the participants in next week's meetings. "The developed countries have not been able to co-ordinate their policies, though they work closely within the Organisation for Economic Co-operation and Development.

In a submission made last week to the Development Committee on behalf of the Commonwealth Secretariat, Mr Ramphal called for plans to be drawn up "to cushion the damage to growth in debtor and creditor countries, to international capital flows and to financial institutions" in the event of substantial defaults by debtor countries.

Authorities in Sudan reopen Khartoum airport

BY OUR MIDDLE EAST STAFF

THE SUDANESE authorities reopened Khartoum airport yesterday for the first time since last weekend's military coup overthrew the regime of Mr Jaafar Nimeiri.

The move came as professional and political organisations reported further progress in their talks with the 15-man transitional military council headed by General Abdul-Rahman Swareddahab. The negotiations have centred on the formation of a caretaker government and an eventual return to full civilian rule.

Civilian representatives said yesterday that the military council had agreed to stand down after 12 months and that there was a broad measure of understanding on the composition of the interim cabinet.

Mr Adlan el-Khardalo, speaking for the alliance of non-military organisations, commented: "The military have accepted the framework presented by the alliance and will limit the transitional period to one year."

However, he also confirmed that during this period the military would retain ultimate power. The alliance, which organised the strikes and protest demonstrations leading to the overthrow of President Nimeiri, has submitted a list of candidates for possible inclusion in the interim cabinet.

It has also proposed that none of the members should have political affiliations in order to facilitate agreements on measures "to tackle the country's very serious problems."

Meanwhile, General Swareddahab has opened negotiations with leaders of the Sudanese People's Liberation Army in the south of the country who earlier this week had demanded a return to civilian rule within seven days.

France's inflation hopes suffer setback

By David Marsh in Paris

FRANCE SUFFERED a setback over its anti-inflationary policy last month, with prices rising by a relatively high 0.7 per cent, as a result of a surge in import prices caused by the strong dollar.

Yesterday's provisional figures, showing a year-on-year increase in consumer prices in March of 6.4 per cent, unchanged from February, coincided with statistics showing France's economic growth last year as less than originally thought.

Insee, the official statistics body, issued revised figures showing that gross domestic product last year grew by only 1.5 per cent in 1984 against the previous estimate of 2 per cent.

The Ministry said that the March figure was still in line with its forecast of an inflationary 4.5 per cent for the whole year.

Public-sector tariff increases and other factors were expected to swell price pressures in the first part of the year, ahead of expected [illegible] in the second ha[illegible]

Neves concern grows

Brazil's President-elect, Sr Tancredo Neves, 7[illegible] hovering yesterday bet[illegible] life and death after [illegible] weeks in hospital. Andr[illegible] hitley reports. Twice in the past 10 days he has been given up for lost by his doctors. Late on Thursday night he was operated on again for the seventh time.

More trouble for the Neves Government, still to find its feet, has come from the two-day-old strike by an estimated 250,000 metalworkers in Sao Paulo state. The strike is in favour of a 40-hour working week, full correction for inflation in salary adjustments and other salary-related changes.

India machinery move

The Indian Government, announcing further liberalisation of its economic policy, said yesterday that it would withdraw a ban on imports of some machinery and high technology, AP reports from New Delhi.

Mr Vishwanath Pratap Singh, Commerce Minister, told Parliament that private sector companies in automobiles, leather, electronics, jute, garments, and oil drilling would benefit.

[illegible]ina oil find

[illegible]ps Petroleum and Shell [illegible]f the U.S. have made a [illegible]ising oil find in the South [illegible]na Sea, Dominic Lawson writes. It was the first well drilled by the consortium in their Chinese licence area.

The well, drilled in 315 ft of water, 80 miles South East of Hong Kong, tested 6,840 barrels of oil a day. Phillips and Shell oil share the licence area 50/50 with Phillips operating.

Spanish air report

A report attributed to the Spanish airline pilots' union Sepla, calling for closure of Madrid, Malaga and other airports because of safety risks, was disowned yesterday by a senior official of the union, David White reports.

To his knowledge, the union's executive had not discussed the report and it was the sole responsibility of the pilot who made it, he declared. The allegations were "exaggerated and Spanish airports were not dangerous, as the report claimed," he added.

White House staff reorganised

PRESIDENT Ronald Reagan has announced a major reorganisation of the White House which is designed to streamline the way the executive functions, reports Stewart Fleming in Washington.

The change will bring two former top White House aides—the conservative Mr Edwin Meese, who recently took over as Attorney General, and the new Treasury Secretary, Mr James Baker—more directly into the interagency policy formulation process within the White House.

The new arrangement will eliminate seven Cabinet Councils dealing with topics such as commerce and trade, economics and legal affairs as well as the Senior Interagency Group on International Economic Policy.

Thatcher inaugurates UK project in Sri Lanka

BY ROBERT MAUTHNER, DIPLOMATIC CORRESPONDENT IN COLOMBO

MRS MARGARET THATCHER, UK Prime Minister, yesterday inaugurated Britain's largest completed overseas aid project, the huge Victoria Dam and hydro-electric scheme near Kandy, centra Sri Lanka, which will provide power equal to about 35 per cent of the country's present total electricity generating capacity.

The scheme has been carried out by British contractors and consultants and was financed with the help of a £113m grant from Britain's overseas aid

Further British financial back-up of £20m was provided by the Export Credit Guarantee Department (ECGD) for the purchase of electro-mechanical and hydraulic equipment for the project.

Three British civil engineering companies—Balfour, Beatty Construction and Edmund Nuttall in a joint venture, and Costain International were the main contractors.

Mrs Thatcher, who was accompanied at the inauguration ceremonies by Sri Lanka's President Julius Jayewardene, issued a veiled warning that, while Britain hoped to continue its aid to Sri Lanka and contribute to its economic development, it would do so only in support of sound long-term policies.

Later, in Kandy, Mrs Thatcher firmly declined to become involved in the internal conflict between the Sri Lanka Government and the country's Tamil population.

Doubts surround a West African state's return to civilian rule

Liberia faces long haul to democracy

BY STEPHANIE GRAY

THE RELEASE from detention of four Liberian opposition politicians at the weekend has tempered widespread suspicions that the reported attempt on the life of Gen Samuel Doe, the country's leader, was a ruse that could have been used to delay planned national elections.

Nevertheless, there is still much uncertainty about whether the general will stand by his pledge to return the country to civilian rule by the end of the year.

His own party, the National Democratic Party of Liberia, is the only one to have cleared the many hurdles placed in the way of official registration in advance of parliamentary and presidential polls set for October and November.

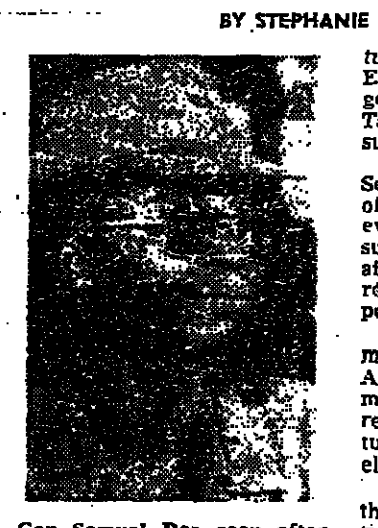
Gen Doe has been heavily backed by U.S. aid since, as master-sergeant, he took power in the West African state in a coup five years ago yesterday.

He ordered the execution at the weekend of Col Moses Flanzamaton, deputy commander of the presidential guard, who had confessed on television to attempted assassination.

The colonel had also claimed then that four opposition leaders and a U.S. national, serving as a security adviser, had promised him \$1m is he succeeded.

The Liberian president later declared that an investigation by the security forces had found no substance to Col Flanzamaton's allegations.

Last week's events were particularly worrisome to the U.S. which attaches considerable importance to the transition to democracy in Liberia.



Gen Samuel Doe soon after his coup against the Talbot régime five years ago

The country, with a population of only 1.9m is, per capita, Washington's top aid recipient in Africa. Disbursements have increased from about \$9m a year at the time Gen Doe came to power to about \$78m in 1983.

Overall proposed aid in the 1986 budget is \$93m, much of which would go towards financing Liberia's \$1.2m foreign debt.

There is a huge U.S. communications installation in the country and U.S. companies such as Firestone and Uniroyal, plus the big Americans banks, have investments amounting to about \$400m.

The steady increase in aid, most of it in grant form, was intended largely to persuade Liberia away from the overtures of both Libya and Ethiopia to which the previous government of Dr William Talbot had shown signs of susceptibility.

In the words of Dr Patrick Seyon, a former vice-president of the University of Liberia, in evidence to the U.S. Congress subcommittee on foreign affairs: "The present military régime has been sustained in power by American aid.

"It therefore becomes a moral duty on the part of the American people and government to ensure that Liberia is returned to a genuine, constitutional and democratically elected government."

Officials in Washington admit that it has been "hard to distinguish between attempted conups and criminal actions" in Liberia.

There have been six so-called attempted coups since Gen Doe became leader. Last week's attempt appears to have been genuine, although there have been no independent eye-witness accounts.

Gen Doe has claimed that Col Flanzamaton tried to murder him because the colonel was about to be named in a scandal involving missing funds at the Liberia Produce Marketing Corporation for which several top government officials have been brought to book.

U.S. concern about events in the country was heightened last August when troops put down a protest at the University of Liberia that followed the arrest for "security reasons" of Dr Amos Sawyer, the writer of the country's new constitution and leader of the Libera Action Party.

Dr Sawyer has since been released but is forbidden to make political statements until he has provided an audit of the constitutional committee—long since disbanded—which he headed.

Dr Sawyer was regarded as Gen Doe's main contender for the presidency.

Mr Vernon Walters, President Ronald Reagan's former special envoy, made a quiet visit to Liberia and, while the subject of his bilateral consultations has not been disclosed, was accused by the Liberian Government of meddling in the country's internal affairs.

Meanwhile, there are considerable obstacles to registration of the four main parties that have come up with the \$50,000 plus \$100,000 security needed to contest the elections.

There are constant challenges from the electoral commission on party funds and lists of supporters before each party is investigated by a "probate court"—a forum in which members of the public may challenge the parties. The registration of all four parties are in various stages of dispute.

Canvassing for the poll is forbidden until the end of July and, until then at least, judgement has been suspended on the prospects for a return to genuine democracy.

FINANCIAL TIMES, USPS No. 190640, published daily except Sundays and holidays. U.S. subscription rates \$420.00 per annum. Second class postage paid at New York NY and at additional mailing offices. POSTMASTER: send address change to: FINANCIAL TIMES, 14 East 60th Street, New York, NY 10022.

UK NEWS

Planners agree production boost at Wytch Farm

BY DOMINIC LAWSON

DORSET planning authorities yesterday approved the first phase in a plan by an oil consortium led by British Petroleum to increase production from the Wytch Farm oilfield in Dorset from 5,000 barrels of oil a day to 60,000 b/d.

By a majority to three, Dorset Council planning committee decided to allow BP to drill up to four wells on Furzey Island in Poole harbour.

These wells will give BP sufficient information on the full extent of the big onshore oilfield to submit plans for full-scale development of an untapped deep oil reservoir in the Sherwood Sands.

Mr Michael O'Sullivan, BP's Wytch Farm project manager, said he was "highly delighted." The approval was the "culmination of a great deal of hard work."

However, some environmental bodies were upset by the decision. Mr Fionn Holford Walker, secretary of the Council for the Preservation of Rural England, said the application was," immensely controversial with many environmental implications."

The CPRE would again appeal to Mr Patrick Jenkin, Secretary for the Environment, to call for a public inquiry into the application.

The Countryside Commission said it had just issued a request to Mr Jenkin that he call a public inquiry into the whole of BP's development proposals.

The Dorset council has given the Government 21 days to consider its reaction, before BP is given the planning permission for its Furzey drilling.

Recent Department of the Environment guidelines on onshore oil and gas exploration and development stress that local authorities are the appropriate bodies to deal with such matters.

Mr Alan Swindall, the Dorset county planning officer said that a letter from the Energy Department insisting that there was "a lack of risk of major pollution" was an important factor in the approval given to BP's plans.

Mr Swindall added that he and BP were already holding informal discussions about the next stage of full development plans.

The approval was a big help for the shares of the independent oil companies, which last year acquired the half share in the oilfield formerly owned by the British Gas Corporation.

Shares in Carless Capel rose 8p to 151p, even though it announced yesterday that it had abandoned a well drilled a few miles North of Brighton.

Shares of Premier Consolidated Oilfields, which also has a stake in the Wytch Farm field, jumped 7p to 53p.

Petrol rivals move swiftly to follow Esso price rise

BY DOMINIC LAWSON

OIL COMPANIES have moved rapidly to follow Esso's lead in increasing petrol prices by 5p a gallon. By Monday, all leading retailers will be selling four star petrol at 204.6p a gallon, a record official price.

Among the largest companies, Shell, BP and Mobil said yesterday they would implement the increase by midnight on Sunday. Conoco will increase by the same amount, remaining at least 1p a gallon cheaper than the majors.

By delaying until the end of the week-end, Esso's rivals hope to gain some business—at least temporarily.

After a period of negligible returns in refining and retailing operations, all but the most inefficient oil companies will be making healthy profits at the new price.

This will be accentuated by the movement of the pound against the dollar—in which oil is traded internationally—over the past two days.

When Esso decided on its price increase, the pound stood at \$1.21, but has since risen to \$1.25. For companies as large as Shell and Esso in the UK, each 1 cent rise in the value of the pound cuts £14m from the annual cost of purchasing crude oil.

Although the oil companies publicly agree with Esso's arguments that rising spot market gasoline prices justified a rise in domestic prices, they are privately irritated that Esso had cut prices by 4p a gallon a fortnight ago, only to raise them by 5p this week.

They feel such rapid shifts in prices anger and confuse the motorist. However, Esso's view is that oil is a commodity and must be priced accordingly.

Ex-chairman of Jaguar leaves company

By Kenneth Gooding, Motor Industry Correspondent

MR HAMISH ORR-EWING, who unexpectedly stepped down after only eight months as chairman of Jaguar, the luxury car group, has now decided to leave the company.

The annual report shows he does not wish to be re-elected as a non-executive director, although when his resignation was announced early last month it was said he would stay one.

Jaguar said yesterday that "minimal" compensation would be paid to Mr Orr-Ewing, who collected £17,904 for his services as chairman last year.

Mr Orr-Ewing, 59, took over on July 26 with a contract which would have brought him an annual £25,000 plus a director's fee of £10,000.

He has many other outside interests, as well as being non-executive chairman of Rank-Xerox.

Mr Orr-Ewing has been replaced as chairman at Jaguar by Mr John Egan, the chief executive and the man given much of the credit for the recent revival of Jaguar.

Building society receipts fall to £214m in March

By Margaret Hughes

BUILDING SOCIETY receipts from investors fell to £214m last month, according to figures published yesterday by the Building Societies' Association.

Although this is marginally better than societies feared, it is still the lowest inflow since August. It is also less than half the February inflow which was also sharply down on January's total of £823m.

Mr Richard Weir, secretary general of the association, said yesterday that the figures provided ample evidence of societies' need to increase their rates which they did this month.

Yesterday's fall in base rates by Barclays and Midland Bank would not be enough to warrant a fall in building society rates. It would need a further reduction of between 0.75 and 1 percentage point for societies to review their rates.

Last month, societies lent £2.05bn to home buyers, substantially more than the £1.66bn and £1.65bn advanced in the previous two months. At the same time the level of new commitments—mortgages promised but not yet advanced—was at a higher level than actual advances for the second successive month and at £2.33bn the highest level since last June.

National Insurance change by Chancellor under fire

BY JAMES McDONALD

THE INSTITUTE of Directors has warned the Government that 100,000 top paid jobs may be lost if it abolishes the upper earnings limit on employers' National Insurance contributions, announced in last month's Budget.

Sir John Hoskyns, the institute's director-general, urges ministers to modify their proposals in a letter to Mr Norman Fowler, Social Services Secretary and Mr Nigel Lawson, the Chancellor.

The institute believes that if the upper earnings limit were abolished there would be unnecessary job losses, he writes. Instead it recommends the change be phased in over three years, arriving at an upper limit—of say £20,000—instead of abolition.

The relevant clause in the Social Security Bill abolishing the limit is to be published on Monday and will be debated in the Commons at the report stage next Thursday.

The institute said yesterday an MP would put forward an alternative clause on Thursday, in line with its recommendation: it would not be voted on, but the institute hoped for action in the House of Lords.

"Also, we are hoping to arrange a meeting with Mr Fowler next week," the institute stated yesterday.

The institute welcomed reducing National Insurance contributions at the lower end of the wage-scale to create jobs for young and unskilled workers. However, it opposed strongly the way this would be funded.

Creditors have little prospect of seeing their money again, reports **Margaret Hughes**

Michael Hartland debts to investors estimated at £500,000

THE DEPARTMENT of Trade and Industry has completed its investigation into the business affairs of Mr Michael Hartland, 38, and his companies.

Its report, along with the results of the preliminary investigation by the City of London Fraud Squad, is due to be handed to the Director of Public Prosecutions this month. The DPP will then decide what action, if any, should be taken and whether the matter should be referred to the recently formed Fraud Investigation Group.

From the information received by the DTI and the Fraud Squad it is estimated that investors are owed about £500,000 in capital alone. Most of the investments were made by small investors depositing £1,000 to £5,000.

The bulk of these had responded to press advertisements in the International Herald Tribune and Choice, a magazine aimed at the retirement market and recipients of lump sum pension payments. A few dealt with Mr Hartland directly.

The DTI and the Fraud Squad began their investigations last October after complaints from several investors, many of them retired people, who had not received capital or interest due to them from various Hartland companies. They had received no response to either letters or telephone calls, while those who had visited the London premises found the offices closed.

These companies include Michael Hartland Limited, Michael Hartland Investment Brokers, which was later renamed Michael Hartland Investing, Time Finance, Michael Hartland Asset Managers and Euro Assets Corporation. All of these ceased trading during last summer.

The DTI and the Fraud Squad have had difficulty in establishing the assets and liabilities because of the complex interlinking of the various companies. From the information available to the DTI is estimates that the companies combined owe about £500,000 to investors, and a smaller amount to banks, trade creditors and the Inland Revenue.

Since the assets of individuel companies are loans or deposits from others within the group, overall assets are estimated to be effectively nil.

The advertisements offered a guaranteed return over a specific term, usually two years. In the case of an advertisement in the International Herald Tribune in April 1982 Michael Hartland Investing offered a guaranteed gross annual return of 18.1 per cent in either U.S. dollars or sterling for funds locked in for two years.

The advertisement also offered international portfolio management through Michael Hartland Asset Managers to "achieve a greater return" and to invest internationally "for safety and tax efficiency."

Later advertisements in Choice offered a guaranteed return of 16 per cent gross over two years to those who filled in the attached coupon and invested anything from £2,000 to £100,000.

Investors were asked to make their cheques out to Michael Hartland Investment Brokers from investment in Euro Assets Corporation. The advertisements stated that both income and capital were guaranteed. The investment was "protected by gilt edged, freehold and blue chip equity, securities."

This "attractive new offer" from Euro Assets Corporation was "recommended" by Michael Hartland Investment Brokers. There was no suggestion that the two companies were connected.

The advertisements also claimed that Michael Hartland Investment Brokers was licensed by the DTI and quoted addresses in Throgmorton Street, near the London Stock Exchange, and in Klaustrasse, Zurich.

However, neither Michael Hartland Investment Brokers nor any other of the associated companies were licensed dealers in securities by the Department of Trade. Neither were they licensed deposit takers under the Banking Act.

Furthermore Mr Hartland was also the beneficial owner of Euro Assets Corporation which was based offshore.

Michael Hartland Limited was first established in 1979 by Mr Hartland along with its trading company, Time Finance, which advertised for deposits and bought and sold securities without a licence from either the DTI or the Bank of England.

In 1982 the activities of Michael Hartland Limited were investigated by the DTI and referred to the DPP. However then this company had stopped taking deposits.

Earlier that year Mr Hartland had established a new company, Michael Hartland Investment Brokers, and this company applied for licence to deal in securities.

But, according to the DTI, by November of that year Mr Hartland had still not submitted all the necessary documentation and did not therefore obtain a licence.

By then, unbeknown to the DTI, Mr Hartland had also acquired Euro Assets Corporation, a Panamanian registered company with postal addresses in both Zurich and Guernsey. This, he has since told the DTI, he did after being legally advised that such an offshore company would not require to be licensed as a deposit taker under the UK Banking Act.

From then on Mr Hartland's advertisements used the name Euro Asset Corporation but investors were still asked to send their cheques to the UK address of Michael Hartland Investment Brokers, the name of which was changed in October 1983 to Michael Hartland Investing.

Some depositors then received statements of their investment accounts from Euro Assets Corporation. These were sent from an address (which was in fact a locked rented filing cabinet) in Guernsey where again the company was not registered as a deposit taker. The Guernsey financial authorities have also been investigating Euro Assets.

Despite advertisement claims that depositors funds were secured and invested in blue chip securities, etc., the DTI and the Fraud Squad have not been able to establish that investors funds were secured in this way. Much of the buying and selling of quoted securities was done within the same Stock Exchange accounting period (usually three weeks) which avoids stamp duty.

Since the DTI and the Fraud Squad investigations, Mr Hartland has, with one or two exceptions, refused to meet any of his creditors. Early inquiries brought apologies for delays in communication attributed to "cost cutting" which Mr Hartland claimed had forced him to "close offices" and to "ask staff to leave."

Mr Hartland's own flat in the City was earlier this year repossessed by the building society from whom he raised the funds to buy it from one of his own companies in March last year.

At one stage Mr Hartland proposed to a solicitor representing a dozen or so small investors that he would establish a fund for his creditors into which he would pay a "percentage of my future personal earnings."

Mr Hartland, who now lives in Buxton, Derbyshire, is at present employed selling security devices. However no fund has been established for creditors who have little prospect of seeing their money again.

GOVERNMENT SECURITIES REFORMS

By JOHN MOORE

Bank specifies its own role in operation of new market

THE BANK OF ENGLAND took another important step yesterday in restructuring the Government securities market with the publication of paper retailing its own role in the new market.

The paper follows draft proposals published last November which outlined the Bank's views on how the "gilt-edged" market should work in the future.

The basic structure of the market has been set out in previous proposals by the Bank and the Stock Exchange. There is to be a U.S.-style system of primary dealers who will bid for and make markets in government securities in return for certain privileges such as special dealing and borrowing rights with the Bank of England.

The Bank is seeking applications from those wishing to be gilt-edged market makers and has set May 3 as a deadline for applications. The Bank intends to confine its dealings to market makers who are Stock Exchange members firms, on the basis that the membership proposals recently published by the Stock Exchange members are adopted.

Following responses from securities groups on the draft proposals the Bank has made some changes to its plans. Several respondents said the settlement system should provide for irrevocable instructions for payment to be generated simultaneously with the movement of stock between accounts in the new Central Gilts Office system for rapid transfer of stock.

The Bank of England accepts this and is urgently exploring the possibility of developing the Central Gilts Office in this way.

In its latest paper the Bank says the possibility that a gilt-edged market maker could share management or staff with a related entity will be subject to the Bank's wish to review the organisation of each market-making entity individually.

This is in response to questions raised on the draft proposals about the range of possible combinations of activities which could be conducted within the same operating unit.

The new paper says the Bank would expect transactions with related entites normally to be carried out at arm's length, and will want them to be separately reported to the Bank.

But an exemption from this reporting requirement is to be incorporated in the new procedures. Transactions with a related entity which is acting purely as an agent need not be reported.

Following comments on the draft proposals, gilt-edged market makers will be able to deal in non-convertible preference shares.

The Bank intends to hold formal discussions with firms seeking to become market makers, based on an annotated agenda to be sent to all applicants. The Bank will complete these discussions before taking any decisions, and will at that stage announce the number of acceptable applicants with some indication of the types of firm concerned, the size in which they expect normally to quote and the aggregate intended capitalisation. Firms will have two weeks in which to confirm their applications. The Bank hopes to be able to publish the initial list of market-makers by mid-June.

Over the following four weeks the Bank will be ready to receive applications from firms wishing to be Stock Exchange money brokers or inter-dealer brokers. These applications will have to be supported by evidence of a broadly-based demand for their services in the form of letters from prospective market makers indicating a willingness in principle to use their services.

The Future Structure of the Gilt-Edged Market; Bank of England Gilt-Edged Division; free.

Spanish airport fears are played down by British airlines

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

BRITISH airlines flying to and from Spain yesterday reacted calmly to reports that Spanish airline pilots and air traffic controllers had complained to their government about "dangerous" conditions at many Spanish airports.

The UK-Spanish air routes are the busiest in Western Europe, with more than 8m passengers a year, many of them UK holiday-makers.

No airline was prepared to comment officially on the situation. Privately, however, it was stressed that recently there had been a big improvement in the facilities at many Spanish airports. There was a greater awareness by the Spanish authorities of the need for greater concentration no safety.

The Spanish Transport Minister, Sr Enrique Baron, dismissed the pilots' and controllers' complaints as "irresponsible"

Nevertheless, it is stressed that there are still deficiencies at some Spanish airports. The recent crash of a Spanish Boeing 727 on the approach to Bilbao airport revealed that a television tower blocking the approach path was not marked on some Spanish air navigation charts.

The poor siting of some airports, especially on Spanish holiday islands with difficult terrain, such as the Canary Islands, remains a problem. The only remedy would be new airports.

UK airline pilots are aware of the difficulties and take the necessary precautions, especially in bad weather.

Despite the improvements, Spain is regarded in the international pilot fraternity as lagging behind much of the rest of Western Europe in the quality of its air transport infrastructure. The latest action of the Spanish pilots' union and the air traffic controllers appears to confirm that.

Both groups have had disputes with the government and Iberia, the Spanish flag airline, on pay and conditions of service. It is felt that the timing of their complaints, published in a weekly news magazine, just before the holiday travel season, is significant.

British pilots, however, know where the deficiencies are—for example where Instrument Landing Systems (ILS) are either non-existent, as at Minorca, or sometimes out of order: or where the terrain is difficult, as at Bilbao and Pamplona; or where runways are poorly laid out, as at Barcelona.

Such information is circulated to UK airlines, and by the British Air Line Pilots' Association,

Car output maintains lead on 1984

By Kenneth Gooding, Motor Industry Correspondent

CAR OUTPUT last month was well above 1984's average monthly level—for the third time in a row—as manufacturers tried to make up for production problems affecting much of the industry late last year.

Seasonally-adjusted output was 90,000 cars against 77,000 in March 1984, according to Department of Trade and Industry provisional figures. Last year's average monthly level was 76,000.

Ford and Austin Rover had to contend with disruption caused by industrial disputes towards the end of last year, while Vauxhall, General Motors' subsidiary, struggled to crank up output of the new Astra at the Ellesmere Port plant on Merseyside.

Production in the first months of this year has more than compensated for those problems and the department says that in the latest six-month period it was 2 per cent higher than in the preceding six months.

Commercial vehicle output, however, was little changed from the previous six-month period, although it continued to improve in March over the exceptionally low level of the fourth quarter of last year.

Seasonally adjusted production of commercial vehicles last month was 22,300 against 19.800 in March 1984 and an average of 18,700 a month for the whole of last year.

Drug companies agree to cut prices

BY LISA WOOD

ALMOST ALL the major pharmaceutical companies supplying the National Health Service have agreed to cut drug prices in line with Government targets, the Department of Health and Social Security confirmed yesterday.

Earlier this year the Government said it would reduce profitability targets of drugs companies to between 15 and 17 per cent on capital employed. The reduction of 2.5 per cent to 3 per cent on the previous profit targets was negotiated with the industry under the Pharmaceutical Price Regulation Scheme and came into effect on April 1.

The move provoked considerable antogonism from the industry. Companies argued that prices should be increased to compensate for drugs banned for NHS prescription under the Government's limited list scheme, which restricts the prescribing of certain brand-named drugs.

The Health Department yesterday denied that the Government was considering invoking legal powers to prevent drugs companies from increasing prices to compensate for losses incurred because of the limited list.

The department said: "It is unlikely that such action will be necessary. We have actually completed discussions with most of the companies involved and we do not anticipate any problems that would require recourse to the act."

Activation of Section 57 of Labour's Health Service Act (1977) would empower the Government to issue an order controlling maximum prices to be charged for any medical supplies.

During the negotiations it was agreed that those companies adversely affected by the limited list could ask Government to review their cases after July 1. If a company can prove its profits have fallen below the 15-17 per cent level Government may then allow some price rises.

The cut in profits is intended to save between £40m and £45m a year on the annual £1.4bn NHS drugs bill.

Trade union trust urges EMS entry

BY DAVID LASCELLES, BANKING CORRESPONDENT

UNITY TRUST, Britain's new trade union financial institution, last night urged the Government to join the European Monetary System (EMS).

Mr Lewis Lee, chairman, made the call at the first annual meeting, where it was reported that Unity Trust had made a pre-tax profit of £92,000 in its first eight months.

Mr Lee said the aims of governments setting up the EMS were to achieve lasting growth, a progressive return to full employment, harmonisation of living standards and lessening of regional disparities.

"We favour all these aims, and if the UK joins the system, they can more easily be attained by all countries."

Unity Trust, a licensed deposit taker, has attracted about £12m in deposits from trade unions. Most of this has been placed in the City money markets, though Unity Trust is beginning to build up a modest loan portfolio which currently totals about £1m.

Mr David Basnett, the general secretary of the General Municipal Boilermakers and Allied Trades Union and Unity Trust's president, said the trade union movement controls about £500m in assets, and he appealed to unions to place more of this with the institution.

The trust's management says it is being run on commercial, non-political lines. It is currently paying depositors 11 per cent.

Mr Terry Thomas, the executive from Co-op Bank which is helping set up Unity Trust, said the institution planned to begin offering retail banking services later this year.

Financier faces £6.3m bankruptcy petition

BY MARGARET HUGHES

A £6.3m personal bankruptcy petition against Mr Alex Herbage, the international financier, has been lodged with the Winchester County Court and served in Scotland on Mr Herbage by McKenna & Co acting on behalf of the Dutch company Interconsult.

This company represents more than 400 investors who have outstanding claims on Caprimex, the offshore funds which were run by Mr Herbage through an Amsterdam-based service company, Trier Investments, and a U.S. marketing network. The Winchester court has set April 30 for the hearing.

The petition is based on two judgments in the Rotterdam Court against which Mr Herbage's London lawyers, Hallinan Blackburn Gittings and Co are appealing. Mr Herbage is also seeking to set aside the registration in the UK of these judgments which is required for a bankruptcy petition to be lodged in this country.

Mr Herbage's lawyers said yesterday that the appeal was partly based on the allegation that the Rotterdam judgments were obtained "fraudulently." It is alleged that in obtaining an order for substituted service, the petitioners wrongly claimed that they were unable to locate Mr Herbage to serve the documents on him in person.

This is being refuted by McKenna on behalf of Interconsult which served the notice by placing a public notice on December 15 in the Rotterdam newspaper Rotterdamsenieuwsblad.

On March 20 Interconsult was granted a Mareva injunction against Mr Herbage. This prevents the removal of any assets from UK jurisdiction and the dissipation of assets within the UK jurisdiction.

An earlier personal bankruptcy petition for £51,000 brought by Rayner Advertising of Southampton was withdrawn on April 1, the day of the court hearing, when, according to Lamport Bassitt and Hiscock solicitors for the petitioner, the debt was paid through Mr Herbage's lawyers by a "third party."

The advertising agency had earlier on March 25, brought successful winding up petitions against two of Mr Herbage's companies—Sutton Manor Arts Centre and Sutton Manor Estates which were put into compulsory liquidation.

In mid-January Trier Investments was declared insolvent by the Amsterdam District Court, which appointed Mr Allard Voute, an Amsterdam attorney, as liquidator.

Mr Voute has said that about 3,335 investors, mostly American, are though to have invested about $40m in 19 of Mr Herbage's investment funds.

On March 25 Radford and Sons, a Soputhampton based accountancy firm was appointed provisional liquidators of Caprimex by the companies branch of the High Court in London.

This resulted from a winding up petition lodged by an American investor who had invested $36,000 in Caprimex and is now owed $51,000 including interest. A High Court hearing has been set for May 15. Although Caprimex is not registered in the UK, the petitioner claims that it had a place of business in Winchester which was advertised in its literature.

Mr Herbage, who previously lived at Sutton Manor near Winchester, now lives at Dalchully House, Coul Estate, Laganbridge, Newtonmore, Inverness-shire.

ECONOMIC DIARY

TODAY: EEC Finance Ministers start two-day informal meeting in Palermo. Confederation of Parent-Teacher Associations annual conference, Manchester. Mrs Margaret Thatcher begins visit to India.

TOMORROW: Mrs Thatcher completes her tour of South East Asia with visit to Riyadh, and returns to London. Peruvian presidential election. Department for National Savings monthly progress report for March.

MONDAY: European Parliament session opens, Strasbourg (to April 19): Scottish TUC conference opens, Inverness (to April 18). AUEW annual conference opens, Eastbourne (to April 18). Commons and Lords return from Easter Recess. Mr Norman Tebbit, Trade Minister, begins five-day visit to Japan. Bank for International Settlements governors meet, Basle.

TUESDAY: Presentation of Women Means Business awards, Claridges, W1. European Defence Ministers meet to discuss joint production of fighter aircraft. Europe Session opens, Geneva (to April 27).

WEDNESDAY: Power workers pay talks. IMF—World Bank interim committee meeting, Washington (to April 19). Index of output of the production industries for February. February provisional average earnings indices; and employment, hours and unit wages costs. Panama banking convention with roundtable on Latin American debt (to April 19).

THURSDAY: Royal Institute of British Architects launches "Decaying Britain" campaign. Mantegna's "Adoration of the Magi" expected to fetch up to £10m at Christie's. March cyclical indicators for the UK economy; public sector borrowing requirement; and London sterling certificates of deposit. UK banks' assets and liabilities and the money stock for mid-March.

FRIDAY: Fourth quarter institutional investment; and industrial and commercial companies capital account and net borrowing requirement. March tax and price index. Retail prices index

Teachers' employers differences intensify

By Brian Groom, Labour Staff

A SPECIAL meeting of the management panel on teachers' pay has been called for next Friday. There is little indication it could lead to a breakthrough in the dispute which could continue through the summer term and possibly beyond.

Differences between local education authorities have intensified, after a week in which union conferences decided to step up industrial action. However some senior employers' leaders doubt this will lead to a big split.

Although pressure is increasing on Labour authorities, as county council elections on May 2 draw near, the main differences with the Tory-controlled majority on the panel have been about public presentation. There is no widespread move to raise the offer from 4 per cent.

The management panel meeting was called following a request from the Labour-controlled Association of Metropolitan Authorities. It is unhappy with the public statements of Mr Philip Merridale, Conservative leader of the panel.

The association has not discussed requesting a special meeting of the Burnham negotiating committee. There is some hope in the National Union of Teachers that a growing number of authorities would be prepared to call a meeting, but the management panel's secretariat has received no formal or informal approaches to do so.

The NUT says authorities which have leaned some way towards the teachers' position include Newcastle, Sheffield, Wakefield, North Tyneside and Cleveland. Tory-controlled Havering was also reported yesterday to have described the offer as inadequate.

Unions are to meet next Wednesday to discuss a proposal for talks by the conciliation service Acas. The NUT, however, the biggest union, has been cool about the chances of this leading to a breakthrough.

The National Association of Head Teachers said yesterday that although the NUT and the National Association of Schoolmasters / Union of Women Teachers had resolved not to take direct action against public exams, "It would be futile to pretend that the action which has already taken place and which is forecast for the summer term will not damage the prospects of a large number of pupils."

Mr Giles Radice, Labour's education spokesman, warned that unless a just settlement was reached, the issue would bring annual rounds of disruption.

Print workers defy sacking ultimatum

By David Goodhart, Labour Staff

NATIONAL Graphical Association members in dispute with the Wolverhampton Express and Star voted unanimously yesterday to defy the company's ultimatum to return to work by Monday or face dismissal.

But there were still hopes that the company might postpone its sacking threat. Talks took place last night between the Newspaper Society, the provincial press employers' body, and the NGA, and it is thought that the Wolverhampton developments were discussed.

Separate talks between the NGA and Sogat '82 have produced new proposals to try to resolve the NGA's original dispute with the company over the introduction of single-keying in the advertising department.

The NGA had insisted that all tele-ad staff should join its ranks, in spite of the fact that Sogat had a recognition agreement. The two unions have since compromised.

● Fears that industrial action might hit publication of the News of the World and the Sunday Times tomorrow were receding last night. They arose because the management of News Group newspapers had demanded 18 months' suspension from office for Mr John Breen, the NGA deputy imperial father.

BT workers seek 12% rise

By Our Labour Staff

UNION officials representing 160,000 engineers and clerical workers in British Telecom yesterday lodged a claim for a 12 per cent pay rise. BT is due to answer on Thursday.

Meanwhile, leaders of the union, the National Communications Union, visited the Certification Officer last night to make a final appeal to be allowed to retain their name.

It was changed recently from the Post Office Engineering Union but the Certification Officer indicated that the new name was too similar to the Union of Communication Workers.

The change has already cost the union an estimated as much as £250,000, if the action goes ahead.

BR threatens legal action if Scottish strike goes ahead

BY PHILIP BASSETT, LABOUR CORRESPONDENT

BRITISH RAIL yesterday warned its largest union, the National Union of Railwaymen, that it may face legal action if it goes ahead with a threatened one-day strike in Scotland on Wednesday over planned job losses.

BR's warning, telephoned to the union yesterday by Mr John Palette, the BR board's managing director in charge of personnel, was coupled with a request for a meeting with the board on Monday to explain the reasons for the strike decision.

Significantly, though, the board's warning about legal action made no reference to seeking an injunction under the pre-strike ballot provisions of the Government's 1984 Trade Union Act to try to avert the strike.

BR is not planning to take this course, even though the NUR's executive called the strike without first balloting the union's 12,000 Scottish members.

By not pursuing this particular course, senior BR officials hope that Monday's talks may avert the stoppage.

But the power of the law in current industrial relations was underlined when BR warned it might seek damages against the union, which could be liable for

To emphasise this power, BR also revived the threat of action for damages against the NUR and the train drivers' union, Aslef, for January's one-day strike, mainly in Yorkshire and the Midlands, in support of the miners' dispute—even though the unions and BR officials have since acknowledged privately that the board has taken the threat no further.

BR said yesterday that a one-day strike would be an extra financial burden on the industry and a further blow to customer confider

The NUR plans to call out its Scottish members from midnight on Tuesday for 24 hours. The strike could halt all services in Scotland and hit English services to and from Scottish stations on Wednesday.

The union is protesting at the proposed loss of 1,250 jobs at BR's Springburn engineering works, which it believes will lead to eventual closure.

Mr Jimmy Knapp, NUR general secretary, said: "Rail workers have been forced to take industrial action to register their determination to halt the continuing savage rundown of rail workshop facilities and loss of jobs."

Employment White Paper is pure politics ,says TUC

BY OUR LABOUR CORRESPONDENT

THE GOVERNMENT'S White Paper on employment is attacked as "a purely party political statement," in a confidential TUC document being considered by union leaders.

It accuses the Government of trying to pin the blame elsewhere for the failure of its policies.

The TUC document—the first considered union reaction to the Government's much-criticised White Paper—is in line with a similar document being considered by the Labour Party.

The TUC paper says the White Paper is probably unique in that it "contains no new policy proposals, sets out no options either for legislation or administrative action and does not ask for any views or reactions in response to its publication."

The TUC says it is a "party political document paid for out of public funds," does not merit the term "White Paper." The TUC sees it as a "Blue Paper" —a glossy set of Conservative Party speakers' notes.

The unions say the political purpose of the White Paper is clear. "It reveals a perception that unemployment is now firmly at the top of the political agenda and so the Government must have something to say about it which appears to justify their policies.

"Since these policies are acknowledged to hold out no prospect of a decline in unemployment by the next election, the aim is to pin the blame elsewhere."

It says the "political objective is to place the Government in the position of the genuinely concerned but rather helpless party, but one which represents the mainstream of opinion and common sense."

The TUC rejects this, and its document rebuts the key propositions in the White Paper. It also criticises the White Paper for giving little attention to unemployment.

It says the White Paper is "partisan," and "extraordinary thin" in facts and statistics, and 'crude political slogan."

Civil servants call off strike

BY BRIAN GROOM, LABOUR STAFF

THE EXECUTIVE of the 93,000-member Society of Civil and Public Servants yesterday called off a one-day strike on Monday and subsequent selective strikes.

But it decided to maintain its overtime ban and work-to-rule as a way of mounting at least token pressure on the Government to increase its £4-a-week or 4.4 per cent pay offer.

SCPS members had voted to support a one-day strike, but the narrow vote against the stoppage by members of the biggest union, the Civil and Public Services Association, made it futile to press ahead with the plan.

SAVINGS OFFERS

	Page
Arbuthnot	1
Bank of Scotland	2
Baring Fund Managers Ltd.	3
Equity & Law	5
Kleinwort Benson Investment Managers	6
Hoare Govett	7
Nationwide Building Society	7
Sabre Fund Managers	8

BASE LENDING RATES

A.B.N. Bank	13½%	C. Hoare & Co.	13½%
Allied Irish Bank	13½%	Hongkong & Shanghai	13½%
Henry Ansbacher	13½%	Johnson Matthey Bkrs.	14 %
Amro Bank	13 %	Knowsley & Co. Ltd.	13½%
Associates Cap. Corp.	14 %	Lloyds Bank	13 %
Banco de Bilbao	13½%	Edward Manson & Co.	14 %
Bank Hapoalim	13 %	Meghraj & Sons Ltd.	13½%
BCCI	13½%	Midland Bank	12¾%
Bank of Ireland	13½%	■ Morgan Grenfell	13½%
Bank of Cyprus	13½%	Mount-Credit Corp. Ltd.	13½%
Bank of India	13½%	National Bk. of Kuwait	13½%
Bank of Scotland	13½%	National Girobank	13½%
Banque Belge Ltd.	13½%	National Westminster	13 %
Barclays Bank	12¾%	Northern Bank Ltd.	13 %
Beneficial Trust Ltd.	14 %	Norwich Gen. Trust	12¾%
Brit. Bank of Mid. East	13½%	People's Trust	14 %
■ Brown Shipley	13 %	Provincial Trust Ltd.	14 %
CL Bank Nederland	12¾%	R. Raphael & Sons	13½%
Canada Perm'nt Trust	13½%	P. S. Refson	13½%
Cayzer Ltd.	13½%	Roxburghe Guarantee	13½%
Cedar Holdings	14 %	Royal Bank of Scotland	13 %
■ Charterhouse Japhet	13 %	Royal Trust Co. Canada	12¾%
Choulartons**		■ J. Henry Schroder Wagg	13½%
Citibank NA	13½%	Standard Chartered	‖12¾%
Citibank Savings	§12¾%	TCB	13 %
Clydesdale Bank	13½%	Trustee Savings Bank	13 %
C. E. Coates & Co. Ltd.	14 %	United Bank of Kuwait	13½%
Comm. Bk. N. East	13 %	United Mizrahi Bank	13½%
Consolidated Credits	13½%	Westpac Banking Corp.	13 %
Co-operative Bank	*13 %	Whiteaway Laidlaw	13½%
The Cyprus Popular Bk.	13 %	Williams & Glyn's	13 %
Dunbar & Co. Ltd.	13½%	Wintrust Secs. Ltd.	13½%
Duncan Lawrie	13½%	Yorkshire Bank	13½%
E. T. Trust	13½%		
Exeter Trust Ltd.	14 %		
First Nat. Fin. Corp.	14½%		
First Nat. Secs. Ltd.	14 %		
■ Robert Fleming & Co.	13 %		
Robert Fraser & Ptns.	14 %		
Grindlays Bank	‡13½%		
■ Guinness Mahon	13½%		
■ Hambros Bank	13½%		
Heritable & Gen. Trust	13½%		
■ Hill Samuel	§13½%		

■ Members of the Accepting Houses Committee.
* 7-day deposits 10¼%. 1 month 11.25%. Fixed rate 12 months £2,500 11.75%, £10,000 12 months 12.00%.
‡ Call deposits £1,000 and over 10¼%.
‖ 21-day deposits over £1,000 10¼%.
¶ Mortgage base rate.
§ Demand deposits 10¼%.
** See Provincial Trust Ltd.

THE WEEK IN THE MARKETS

Sterling in ascendancy

LONDON

ONLOOKER

THE POUND had one of its best weeks for a very long time. Not only was it performing well *against a dollar* in decline but it was also climbing against other European currencies. On a trade weighted basis, sterling was back up to levels not seen since late last summer.

It was enough to prompt Barclays and Midland, which had held their base rates at 13¼ against NatWest and Lloyds at 13 per cent, to drop a half point *to 12¾ per cent—more than the* market had expected.

So with a climbing pound and falling interest rates, the gilt market responded with good rises at the end of the week following on from the firm trend of late. Against gilts, therefore, the equity market does not look quite so over-valued as it did a few weeks ago. But that does not mean there is a need to change the general view that share prices are likely to go lower before they go higher.

Beer battle

The market's attitude towards Scottish and Newcastle's £100m equity and cash offer for fellow brewer Matthew Brown appears to have slightly changed in the last couple of days and Brown's price has slipped a critical few pence to leave the shares trailing behind the S and N offer.

There are two or three factors at work. For a start the argument that the bid should be referred to the Monopolies Commission seems to be gaining some momentum even though, on the face of it, there is not an obvious case for an investigation. The bid is not like S and N's earlier abortive attempt to gain control of Cameron, which was agreed and then stumbled over a Monopolies reference—but grounds for a reference are not always crystal clear to objective observers.

Another point, which is sinking home, is that earlier optimistic talk of a third party entering the fray as a white knight clutching a better offer seems a little off beam. At this stage, anyway, Matthew Brown seems determined to fight its own battles and is not likely to be courting rival bid*ders with a cosy offer.*

And if thoughts of a rival bidder seem to be fading, initial projections of what S and N might have to offer to gain shareholder acceptance are also being downgraded. When the Scottish bidder launched its first terms, worth around 380p, the analysts immediately branded the price as wholly inadequate and suggested that 500p might be more like the mark.

Since then the terms have been sweetened with a cash element but, around the 435p a share level, the offer is still a long way short of 500p—and it looks set to stay that way too, *even though a further improve*ment may be needed to win the day.

That assumes there is not a *Monopolies reference and the* battle remains a straightforward two bout between two companies. But, of course, that is not *quite the case.* Whitbread Investment Company is hovering on the sidelines having lifted its investment in Brown to 8.8 per cent. Its stake is rather reminiscent of its intervention in the Wolverhampton and Dudley bid for Davenports in 1983 where a small purchase managed to keep Davenports independent.

What exactly WIC is up to is *anybody's guess. It would take* a larger holding in Brown than under 9 per cent to thwart S and N, though if Britannic *Assurance, holding 9.5 per cent,* was to stand alongside the Brown defence as well, the Scots marauders might be repelled. Anyway for the time being, small shareholders should sit tight and await Brown's defence which will be out within a few days.

Entrad's move

Entrad took a gamble yesterday when it stepped into the market in an attempt to take *its holding in Tootal* to 30 per cent. The British group's price moved just out of its reach but not before the bidding Austra*lian textile company was able* to lifts its existing 6 per cent holding to around a quarter of the equity.

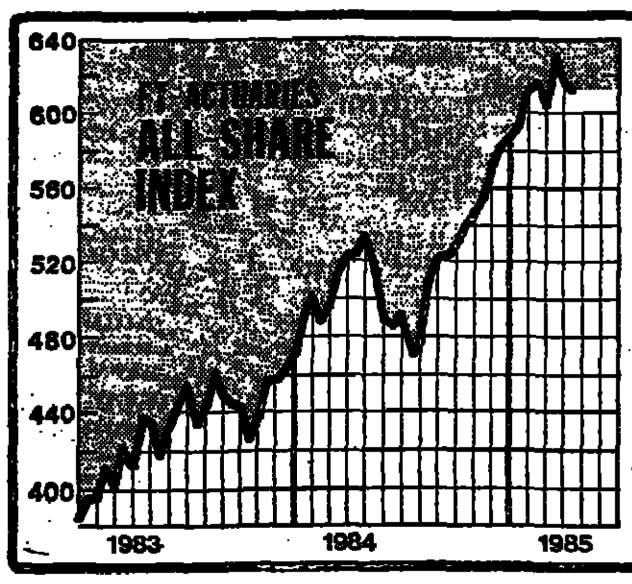
The risk for Entrad is that if its £128m bid for Tootal fails then it could end up sitting on a large parcel of stock showing a potential capital loss—and presumably the bidder has financed yesterday's purchases with borrowed money. However, with acceptances having dribbled in fairly slowly so far, Entrad has understandably felt obliged to buy in the market while it could.

The difficulty for Tootal shareholders is that the arguments for and against this offer look finely balanced. Entrad is a smaller company than Tootal, judged by market capitalisation, and its bid, if successful, is bound to stretch its finances. But for shareholders in the UK company the soundness or otherwise of the bidder is only of *concern if the loan note alterna*tive is accepted and most private shareholders would opt for the straight cash offer of 72½p.

So *the debate on whether to* accept or not really turns on one straight question: is it right to take 72½p now (plus a 1.87p *dividend) or are the shares* worth holding for the medium term? Without an offer the price is bound to fall back to, say, 65p *despite the forecast of a 4p divi*dend for the current year. The problem is in trying to assess the share's ability to get back *into the 70s without an offer* on the table.

The group has done much to get its house in order and profits are forecast to rise from last year's £22.85m to £27m for the year to January 1986—a prediction said to be on the conservative side. But even on that projection an exit p/e of just under 8 is not a cheapskate offer for a textile company.

Still, if shareholders believe that future profits can sustain the sort of dividends that Tootal has forecast perhaps the shares should be kept for the income. Some institutions may take that line. Whatever way it goes, next week the success, or otherwise, of the bid will be a close *run thing.*



Smiths Industries

The *story* of Smiths Industries, transformation from a clocks and dials ugly duckling to a beautiful swan of aerospace and medical, is not exactly a new one for the market. Nevertheless, that does not stop the group pleasantly surprising investors with the speed of its change, as it proved this week with its half year figures.

In the six months to the beginning of February pre-tax profits soared by 38 per cent to £20.18m. Even allowing for the £1.7m of currency gains, which helped the profit on its way from the £14.65m achieved in the comparable period, the result is considerably better than expected. Forecasts for the current year are now being pumped up to around £46m pre-tax against £36.2m for the year to last July. It was with the 1983-84 figures that the new look Smiths first showed its paces, lifting profits by 36 per cent from a five year plateau.

If there is a quibble with the results it is that margins on the medical activities have slipped nearly four points due to the £11m acquisition of Downs Surgical a year ago. Still at 17.4 *per cent, margins could hardly* be described as thin even after the setback and, anyway, the Downs purchase was always expected to trim the overall return.

Now that the best part of half the group's profits come from electronics in one form or another and medical accounts for about a third of profits it is not surprising that the rating—the prospective p/e is around 16—has little regard to companies in the engineering sector—its traditional bedfellows.

And with some reasonably highly rated paper and a clean balance sheet—gearing is probably no more than 12 per cent—Smiths is unlikely to stick with its current portfolio, no matter how pleased it is with the structure. Further acquisitions could follow on from last year's Downs and Superflexit and the group is probably casting an eye over companies on both sides of the Atlantic.

Terry Garrett

Weaker dollar confuses Wall St

NEW YORK

TERRY DODSWORTH

FOR MANY months U.S. manufacturing corporations have drummed home the problems the *strong dollar is giving them* in making ends meet. It is an argument that Wall Street has swallowed virtually whole. The *strong dollar, everyone* has been arguing, has become a fierce depressant on corporate profits, hitting both companies *with large sales overseas,* and industrial groups having to compete with cheap imports. Ergo, a weaker dollar should help industrial profits and, in turn, the equity market.

Yet now that the U.S. currency is on the slide, Wall Street is a little uncertain how to react. Indeed, so far, the market has responded in a fashion contrary to the conventional wisdom, with the Dow Jones Industrial Average falling from its February peak of 1,299.36, virtually in step with the dollar, which reached its high point of over DM 3.40 at around the same time.

Thursday was a perfect case in point. After the dollar was knocked back sharply by the Europeans, the stock market began to build up a head of steam, moving ahead by over 8 points at one time. But by the closing bell, most of this had evaporated again.

Perhaps the main point of these market movements is that what has been happening to the dollar is itself a reflection of U.S. economic trends that have not been particularly kind to the financial markets in general. First of all, last week, investors were unsettled by the collapse of yet another unlisted securities dealer with losses now put as high as $200m.

Following in the wake of the ESM Government Securities failure, and the consequent crisis in the Ohio savings bank industry, this new problem was bound to cause questions about the stability of the financial system. And this uncertainty was reinforced by doubts about the sustainability of the U.S. economic recovery.

Paul Volcker, the chairman of the Federal Reserve Board, articulated these fears in a carefully worded speech this week. His hints, that the Fed was worried enough about the slowdown in the economy to be opposed to any moves to tighten credit and push up interest *rates, were another factor in the* dollar's decline.

In addition, the stock market has been struggling to absorb some unpleasantly bearish profits forecasts over the past few weeks. These have been pouring out of companies anxious for soft landings when they finally announce their figures during the current round of quarterly results.

Indeed, IBM saw fit to come out with two preliminary statements, first hinting at a flat quarter and then at a decline in profits—a strategy which had pushed its shares down sufficiently for them to rise by a triumphant $1½ to $127 on Thursday, when it finally announced that earnings were down by all of 17 per cent.

One question for the market now is whether investors have discounted sluggish quarterly results overall as effectively as in the case of IBM. If they have, the worst of the impact from the results season has already been absorbed. The other big unknown is the perception of the state of the economy. The decline of the dollar indicates a strong feeling that the economy is slowing sufficiently to take some of the pressure off interest rates, and therefore gains to be made in shipping savings to New York.

However, some U.S. investment houses believe that these trends will be positive for the stock market over the year as a whole. Oppenheimer, for example, argues that the slowdown in the expansion of the services sector should be offset by earnings improvements in manufacturing companies. At the same time, the lower rate of expansion should enable the corporate sector *overall to* shake funds out of working capital, reducing interest costs which should in any case be *coming down because of* the Fed's action.

While all this sounds a little like the White House on its soapbox, it is interesting to note that the banking sector, one of the areas which has been causing the most anxiety over the last 12 months, has so far produced some fairly healthy quarterly figures. J. P. Morgan, *in particular, announced* a 13 per cent increase in earnings this week, mainly caused by higher interest earnings as its *cost of funds declined faster* than the rates it charges its clients.

At the same time, the takover wave continued to roll on through the week. Acquisitions have now become so commonplace in this market that investors seem to be becoming almost blasé about them. In the last fortnight they have certainly fallen so thick and fast *that they have hardly* engendered the excitement of a year or so ago.

This week has seen the re-*emergence of Carl Icahn, now* making a move for Uniroyal fresh from his successful marauding against Phillips Pet*roleum.*

It has also finally produced the long-expected bid for Crown Zellerbach from Sir James Gold*smith, who has been stalking* the Forest Products group for the last four months, while working out a scheme to over*come its devastating poison pill.* At an offer price of $42.50, just over 13 times last year's earnings, the general view seems to *be that Sir James has not yet* produced a sufficiently powerful antidote to the pill's venom.

Monday	1252.98	+ 6.07
Tuesday	1253.86	+ 0.88
Wednesday	1259.94	+ 6.08
Thursday	1263.69	+ 3.75

MARKET HIGHLIGHTS OF THE WEEK

	Price y'day	Change on week	1984/5 High	1984/5 Low	
F.T. Ord. Index	967.8	+ 5.3	1,024.5	755.3	Post-holiday inertia
F.T. Gold Mines Index	533.5	+24.2	711.7	439.5	Weaker dollar boosts gold
Assoc. Newspapers	880	+55	885	380	Broker's circular
Aust. Cons. Minerals	51	+ 9	51	17	Firm gold/ore reserves boost
Bridge Oil	140	+13	233	127	Firm Australian oils
Brown (Matthew)	415	−30	448	208	Scot. & New. bid situation
Burmah Oil	233	+29	240	161	Increased profits and div.
Burnett & Hallamshire	55	−14	205	35	Serious debt problems
Cons. Gold Fields	562	+29	627	463	Proposed assets sale
Debenhams	247	+26	247	141	Intense bid speculation
Grattan	210	+24	210	66	Broker's circular
Hawker Siddeley	443	+33	484	352	Better-than-expected results
ICI	746	−20	885	526	Currency influences
Jarvis (J.)	320	+40	320	215	Ahead of Monday's results
Pentland Inds.	587	−67	593	55	Impressive interim figures
Sminth Inds.	201	+ 8	210	121	Newsletter comment
Spectrum	35	−40	144	35	Current profits warning
Stothert & Pitt	145	+25	182	108	Revived bid speculation
Vickers	270	+14	270	126	Nationalisation comp. hopes
Woodside Petroleum	85	+23½	89	50	Bid from BHP/Shell Australia

Week of the Lloyd's brokers

Unlisted Securities Market

EXCELLENT results from one company and news of an impending listing by another have focused attention this week on one of the USM's smaller sectors, the Lloyd's insurance brokers.

The results came from Steel Burrill Jones, a specialist in reinsurance broking in the London marine market, which produced 1984 pre-tax profits of £3.05m. That was 60 per cent higher than forecast in the prospectus when it came to the market last May, and 135 per cent above the pro-forma figures for 1983.

The new member of the sector will be the Howard Group, a reinsurance broker specialising in oil-related and general casualty risks, which plans to come to the market later *this month* by way of a placing.

That will bring the number of USM brokers to four—Derek Bryant *led the way in 1983* and was followed last year by Dewey Warren and Steel Burrill Jones —but analysts are expecting more to *follow suit on the back* of the upturn in insurance markets.

From an investor's viewpoint, the USM companies have *looked* an attractive proposition over the past year. "They have handsomely out-performed both the index for fully listed brokers and the FT All share over the past 12 months," says analyst Lucy Cottrell at brokers Grieveson Grant.

However, she adds that the market views the sector very much as an investment in the fortunes of the dollar—with the USM brokers earning a particularly high proportion of their *revenues in* the currency—and a softening in their share prices over the past month will to some extent reflect the weaker and unsettled dollar.

Behind the bullishness of the sector *lies* a dramatic change in the fundamentals of the insurance business over the past few months. Huge losses in the U.S. have *led* to a sharp contraction in capacity, which is now feeding through into much higher premium rates. Much more business *is* returning to the London market.

This environment might tend to favour the largest brokers—*such as Sedgwick, which has* just announced plans for a merger with U.S. giant Fred S. James—but smaller ones can do well *too* provided they have good market niches. "The market," says one analyst, "is absolutely favouring the professional hard-nosed bloke with good placing power."

Steel Burrill Jones's results underline many of these *themes.* It *occupies* a good niche in the marine excess of loss market and, says chairman Derek Steel, "a lot of business *enticed* away *by cheap* rates is coming back to the London market—and at higher rates—as other people who have tried underwriting have *given* up the game."

Most of Steel Burrill Jones's profits rise stems from increased brokerage. Mr Steel estimates that about 20 per cent of the improvement over 1983 was due to favourable movements in the sterling/dollar exchange rate.

Steel Burrill Jones also seems bullish about the current year, which it says has "started well." The main potential problem facing it and other USM brokers is that great unknown, the dollar.

If the U.S. currency fell out of bed, this would hit London brokers' profits. Two factors, however, *would ameliorate the* effect. First, the companies have taken to substantial hedging forward. Steel Burrill Jones, *for example, has hedged* 80 per cent of its estimated 1985 dollar brokerage.

"We are protected against a *sharp drop this year,*" says Mr Steel, "but we would be affected on forward rates in 1986."

Mr Ronnie Ben-Zur, 30-year-old managing director of newcomer Howard Group, says his company is conservatively hedged two years forward. He also points to what he calls a "natural hedge": capacity in the London market, whose limits are denominated in sterling, is already tight. A decline in the dollar would allow more sterling business, thus expanding overall premium volume.

The Howard Group, whose issue is being handled by brokers Phillips and Drew and the Allied Irish Investment Bank, is placing 1.48m existing shares and 162,350 new shares, which will together represent 14.1 per cent of the enlarged issued share capital. Net proceeds will be £388,000, to be *used to refinance the acquisition* of A. Popple, a U.S. brokerage bought last year.

Popple specialises in the placing of general casualty risks, including excess liability cover for substantial companies, medical malpractice and bloodstock.

It is coming to the market at a placing price of 129p a share, giving a market capitalisation of £14.98m. Pre-tax profits in the year to September are forecast to be not less than £2.9m, against 1984 operating profits of £1.73m, putting the shares on an undemanding prospective p/e of 9.5 and a yield of 4.6.

Why come to the market now? Mr Ben-Zur says this will help the group's expansion plans. It is keen to moderate Howard's *dependence* on dollar income by acquiring a company whose business is largely denominated in another currency.

Martin Dickson

Get a guide through the tax maze

FINANCE AND THE FAMILY

BY OUR LEGAL STAFF

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

I am an expatriate from the Far East and have been seconded to work in the UK for an organisation which has a branch office in this country. Since arriving 14 years ago I have bought a house and have been letting it for investment purposes. I have never lived in the house as I am given accommodation by my employer. My earnings on the property have been taxed. As my term is coming to an end I will be leaving this country soon. I am hesitant to sell the property as I know it has appreciated by about 15 per cent (or more) and any gain would be subject to 30 per cent capital gains tax. I understand that if I continue to let the property one year after I have left the country my status would become that of a non-resident and any subsequent sale would not be subject to CGT.

Once you have ceased to be resident in the UK, you will be exempt from CGT. You will find generally guidance in a free booklet, IR20 (Residents and non-residents: liability to tax in the UK), which is obtainable from your tax inspector's office.

Educating great-grandson

I wish to invest a lump sum of £1,000 for the benefit of my great grandson, to be used solely for his education, at the discretion of his parents, without attracting any tax. His parents and I both pay tax at standard rate.

A local solicitor can draw up a simple trust deed to achieve what you want. If the trust is discretionary (which appears to be what you have in mind), the income will be taxable at 45 per cent, under section 16 of the Finance Act 1973; the tax will be recoverable, however, if the net income is applied for your great grandson's education, etc., by virtue of section 17.

A sticky problem

The lime trees on the pavement outside my house drip sticky sap from their leaves all summer. This stunts the growth of plants in my garden. I also have to wash constantly my gate and car to avoid their paintwork being damaged. The trees are in the ownership of the Council as highway authority for the Borough. Under pressure, the Council trims the trees every few years but not enough to prevent the damage described. Does the damage constitute a nuisance and do I have a remedy against the Council? Can I force the Council to replace the lime trees with a more suitable species? Can I cut back the trees myself.

It is arguable that the trees constitute a nuisance. However difficult questions can arise as to the ownership of the trees, as these may be sufficiently deeply rooted to be your trees rather than the Council's. It would be wise to seek to negotiate a compromise by replacing the trees with other more suitable trees. You can cut back the overhanging branches of the trees, if they are not subject to a preservation order.

Residence and taxation

I am a British subject married to a U.S. citizen and have lived in New York for the past 31 years. Were I to put £5,000 on deposit in a bank or building society in the UK for the convenience of having funds available locally would I be subject to UK takes on the interest earned? My husband and I file a joint U.S. tax return.

My family and I are considering the purchase of a small flat in or near London with a view to spending (individually or together) several months a year in the UK. Is it possible for a non-resident British subject to obtain a mortgage in the UK? If so are there any preliminary steps which should be taken to facilitate this venture?

Interest would be exempt from from UK tax, by virtue of the U.S.-UK double taxation convention, as long as you are resident in the U.S. only. During 1985-86, however, you are unlikely to find building society interest rates attractive.

The purchase of a flat here could make all of you resident in the UK, for each year in which you respectively visit the UK, but the double taxation convention would mitigate the effects of dual residence. It is likely to be worthwhile to seek professional guidance through the tax pitfalls. As a first step, however, you could write to the Inland Revenue Public Enquiry Room, Somerset House, Strand, London WC2R 1LB, United Kingdom, for a copy of the free booklet IR200 (Residents and nonresidents: liability to tax in the UK).

Save the ivy

My neighbours built a kitchen extension and as they are the other half of a semi-detached residence this large wall is unsightly from our windows, and cuts off a considerable amount of light from our ground floor room.

As we considered this wall to be extremely unpleasant in appearance, we erected a wire trellis, supported by two posts, so that it is not secured to their wall, and grew ivy on this trellis.

The extension was very poorly built with inadequate guttering, and a corrugated plastic roof which of course causes a lot of condensation, and they are finding that the walls are damp.

They now say that they wish to send in builders to work on my side of this wall to render the wall with cement wash. This will necessarily destroy the ivy on my side. I do not wish to destroy this ivy which has taken four years to grow and have a large cement-covered wall in its place. Have they the legal right to insist that I allow them to send workmen in to my freehold property to carry out this work?

The neighbours would have no right to enter your premises to render their wall unless they have been in the habit of doing so for at least 20 years. It sounds however, as if the extension is of too recent construction for this. If the wall is not precisely on your boundary and they can do all the work from their side of the boundary line they could remove your trellis to effect the maintenance of the wall.

Closure of a school

On January 1, 1982 I made a four-year covenant to a registered charity, a private boarding school. Three of the payments have been made. Unfortunately the school ran into financial difficulties in 1983 and closed down completely at the end of the summer term, 1984. Needless to say I have not made the final covenant payment due on January 1 as obviously the school ceased to fulfil its obligations with closure.

I now understand that in spite of selling all assets the school is still in debt and I have been told unofficially that I shall be receiving a communication from the school's accountants informing me that I am obliged to make this final covenant payment. Can you please advise me as to my position?

Unless the school is a company which has been wound up it seems that you remain obligated to pay the last instalment.

Tax inspector's mistake

I have a Building Society separate account for the SAYE contract which was always treated as free of income tax on the interest (except the basic tax arranged with the Building Society).

The net result is a total credit balance in the society of £1,240.95 at January 1985.

The tax inspector has written to me to say "my tax income assessment for the year ended April 5 1984 has been amended to include the interest from the SAYE account."

I informed the Inspector that higher tax raet (to which I am liable) was not chargeable on a SAYE limited investment. Now I have written to the senior Inspector (Tax) in charge to repeat my information on SAYE savings (Tax) and asked for explanation and detail of tax law changes which cause me to have to pay this higher tax rate.

I have also informed the Inspector for request for appeal. Please advise me of what steps I should take in defence and should I pay the demanded tax. The Inspector's letter says "The fact is that all interest arising on capital deposited with a building society is taxable and must be considered for higher and addition rates of tax."

The Building Society manager has said (letter) that this interest is not taxable being SAYE.

Your tax inspector has not taken the trouble to read section 415 (1) of the Income and Corporation Taxes Act 1970: "Any . . . inter . . . payable under a certified contractual savings scheme . . . in respect of shares in a building society . . . shall be disregarded for all purposes of the Income Tax Acts . . ."

Regrettably, ignorance of the law (and refusal to look it up) is becoming progressively widespread in local tax offices, judging by our postbag.

Property sale and CGT

My brother owns an 18th century schoolroom plus a lean-to which he bought for £800 about 15 years ago for use as a studio. It has a small piece of land and is worth about £20,000. He is retired and would like to sell it to augment his pension. One way to reduce capital gains tax might be to sell a half share to his son for cash in the coming year and then put it jointly on the market the following year—thus taking advantage of two years' exemption. The son would have to raise money to buy his share but could be recompensed by providing a profit element in the transfer price; or the father could give the son an interest-free loan by taking the money out of his building society.

The intention of the scheme would be to take advantage of the exemption, giving a small share of the profit to the son. Would the Revenue regard this as tax evasion rather than tax avoidance, particularly if the transactions took place within a few weeks or months of each other?

The answer to your final question is no. Any contrived scheme to avoid tax is likely to be attacked on Furniss v Dawson principles, which you will have seen referred to in our columns from time to time.

You do not say whether your brother has ever lived in the property. If he has, or can conveniently do so, notices under section 101(5) of the Capital Gains Tax Act 1979 may substantially mitigate the prospective CGT bill. Since he will presumably be using the services of a solicitor in the contemplated transactions, it makes sense to ask the solicitor for guidance through the tax maze.

Looking up Down Under

BY KENNETH MARSTON

EVERYBODY SEEMS to be talking about the reversal in the rise of the U.S. dollar and this is understandable enough, especially if it heralds a slowing-down, or worse in the U.S. economy. But there is another dollar under pressure which has given the mining sharemarkets plenty to think about. It is the Australian dollar.

Not that this is causing any grief for the Australian mining sharemarket. The fall in the currency of over 20 per cent this year spells good increases in the domestic prices of the metals produced which are sold on the basis of U.S. dollars. So the natural resource stocks Down Under are enjoying a heady boom.

You can see what is happening in my chart of the gold price. The U.S. quotation has moved up this year in line with the fall in the U.S. dollar, but the greater fall in the Australian dollar has sent the price in that currency soaring to the point at which it has almost climbed out of the chart.

Much the same thing happened in the case of South Africa last year when the fall of some 42 per cent in the value of the rand lifted the average quarterly price received by the gold mines there from about R14,800 per kilogramme to R19,100 in the final quarter.

The rand has become steadier in recent times and thus, after reaching a peak of R22,800 in January, the South African gold price has since eased to R19,800. Curiously, this equals the average price received by the Consolidated Gold Fields group mines in the first quarter of this year.

It is modestly above the level of the previous three months and this, coupled with the group's achievement in holding costs in check against a background of rising inflation, has resulted in the group's mines announcing further profit increases in the March quarter results published this week.

Clearly, if the rand holds steady and the U.S. dollar continues to fall, the South African mines will not do so well in the current quarter. But what happens if fears for the dollar result in some of the funds that have been flowing into the U.S. moving out into other havens?

One of these havens would probably be gold. Such a move has not happened yet, and may not do so, but if it does happen we could see a rise in the gold price in real terms; in other words in all currencies, not least the Australian dollar.

Important though they are, currency movements do not tell the full story. More crucial for the mining industry is the level of demand for its product and this brings us to a possible wind of change starting to blow through the base metal markets. Here again, the Australians are well placed.

Markets for some base metals, notably aluminium, are still in the doldrums. Copper, which is sometimes regarded as a bellwether of metal markets, has been particularly depressed by big surplus stocks and excess production capacity. It is now beginning to look more interesting with U.S. prices picking up.

While much of the high-cost production capacity remains closed down, a good demand by consumers has been steadily eating into stocks.

This process could lead to a further rise in copper prices because the closed-down capacity needs prices of at least 75 cent per lb to break even and is unlikely to be reopened until the owners feel sufficiently confident that the higher prices can be held.

The main worry is that the weakness of the U.S. dollar heralds a slow-down in the U.S. economy this could adversely affect the demand for copper and other base metals. In the meantime, however, the Australians continue to make hay while the sun shines.

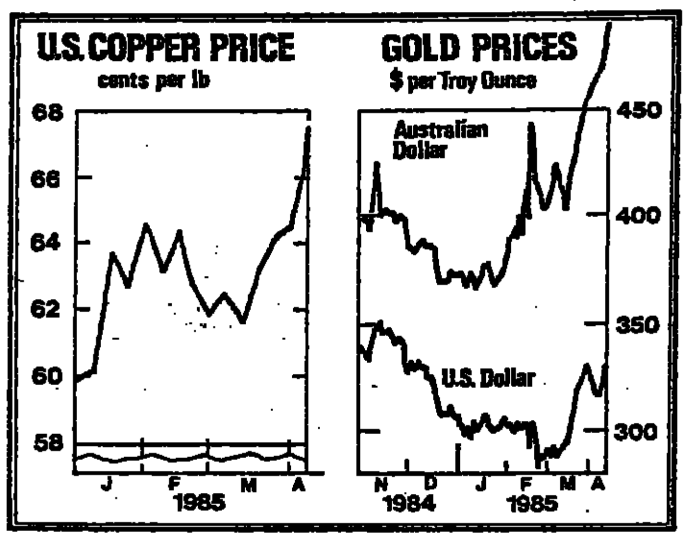
● The Consolidated Gold Fields group has decided to sell off its U.S. industrial assets and has made forward exchange rate arrangements to cover any exchange loss. It hopes to realise some £100m-£140m for the assets. The move underlines the group's intention to concentrate on the business it knows—mining and building construction materials—and to reduce its debt.

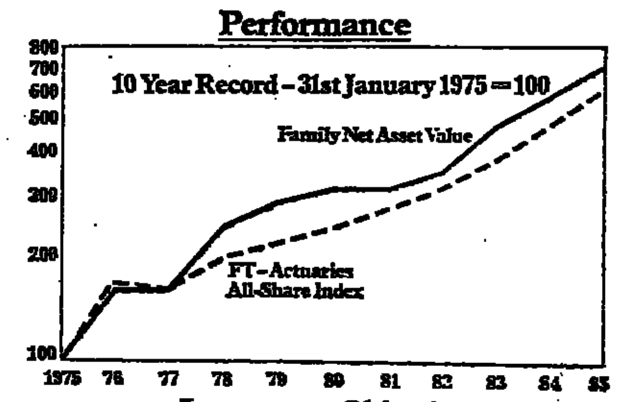
● America's Phelps Dodge is also offering its industrial interests for sale. Strapped for cash and losing money on its U.S. copper operations the company is concerned to reduce its heavy debt which amounted to $606m at the end of 1984.

The assets involved are wire and cable companies in Thailand, the Philippines and India. In addition, the company is looking for a buyer for its 44.6 per cent stake in the profitable Black Mountain lead-copper-zinc-silver mine in South Africa's north-west Cape.

Talks have begun with potential buyers for Black Mountain, but Phelp's partner in the operation, the Gold Fields group's Gold Fields of South Africa has a pre-emptive right to buy the interest. In all, Phelps hopes to raise some $320m from the non-U.S. asset sales together with those of domestic assets previously reported.

Meanwhile, Phelps is hoping for a better year in 1985 after a heavy loss of $267.8m in 1984.





YOUR SAVINGS AND INVESTMENTS

Dina Thomson on busted bonds

Profits from regimes that went for broke

AS THE Government of China looks increasingly to the West for means of raising new money it is likely to consider repaying its old debts to smooth the way. This is why holders of "busted bonds" are optimistic.

Those who have 10 Chinese Government bonds with a face value of £20 each, issued as the 5 per cent reorganisation Gold Loan of 1913 could, if China pays back its debts this year, earn £1,939.20.

But if you obtained these bonds fairly recently, you are being more than hopeful to bank on the likelihood of China repaying her old debts.

Yet there remains a demand for bearer securities issued by the pre-revolutionary governments of countries such as China or the Soviet Union. "Busted bonds," so named because the new regimes stopped payment on the loans, have become popular among collectors and investors.

The term "busted bonds" can apply to everything from bonds issued by a country that has subsequently defaulted to share certificates issued by companies which went bankrupt.

Dealers in busted bonds admit it is extremely unlikely that you would get your £1,939.20 if you were compensated for your ten 5 per cent 1913 Chinese bonds. "Even if they paid 30 per cent (of the total yield due), many people would throw their hats in the air," says Leslie Tripp, a leading UK dealer in busted bonds.

This is particularly true of the Chinese 5 per cent reorganisation Gold Loan of 1913. Out of a total issue of £25,000,000, bonds with a face value of £19,691,880 remained outstanding three years ago. The cost of repaying in full could top £38bn. The smaller the denomination, and the more bonds outstanding, the less likely it is that they will ever be redeemed.

You can buy one of these bonds, from about £8 or £10 each at current prices, fairly easily. And your reason for doing so could be that they are rather beautiful, as our reproduction shows.

But even if you are attracted by both aesthetic appreciation and the romantic notion of owning a piece of history, you should choose your busted bonds carefully.

Veterans of the art of scripophily — the collecting of old bonds and share certificates—say that in the last decade there has been a burst of enthusiasm among collectors of old bonds. Prices have risen considerably, and collections on a particular theme, be it railways, gold or British breweries pre-1900, are getting harder to complete.

As with any collectable item, rarity increases the value of old bonds. In the case of share certificates, the name of the company, and the signature on them can boost their value.

Dealers suggest, for example, that a Standard Oil of New Jersey share certificate, signed by Rockefeller, would three or four years ago have cost you around £500-550. Now its price is about £1,800-£2,000.

And if you happen to find a share certificate from the Hudson Bay company dated 1705 in your attic, do not get rid of it in a fit of spring-cleaning zeal—it could be worth as much as £4,000.

In the U.S. collectors seek out old bonds and share certificates as part of their industrial and commercial heritage. In Britain the interest is relatively new.

When stamp dealers Stanley Gibbons began to deal in busted bonds in the late 1970s, high inflation in the UK was attracting attention to investments in collectables.

Prices rose steadily as speculators entered the market. The Stanley Gibbons catalogue of March 1978 shows a £100 5 per cent 1908 Chinese Gold Loan priced at £20. Its December 1979 catalogue prices the same bond at £1,500.

A £1,000 Chinese Marconi Treasury Bill of 1918 at 8 per cent is priced in the Stanley Gibbons catalogue at £130 in March 1978 whereas the same bond in December 1979 was quoted by Gibbons at £5,000. Dealers suggest this bond is worth about £400 today.

Dealers say privately that Stanley Gibbons mishandled its marketing of busted bonds and forced up the prices by aggressive selling. Speculators interested in short-term gains dominated the market. By 1980, interest in busted bonds collapsed and thousands of Chinese and Russian bonds were unloaded on to the stockmarket forcing down the price.

Today dealing in busted bonds is more sedate. "If anyone going into busted bonds is planning to make a quick fortune they will burn their fingers," says Leslie Tripp. At the same time, he stresses there is money to be made.

The condition of the bond, the date and number of the issue, the signature, and overall attractiveness are all important features in determining value. Collecting on a particular theme is a good idea, and you will find that prices vary from a few pounds to £500 depending on the bond. Busted bonds have also fetched much higher prices —as much as £3,500 in Britain last year—especially at auctions.

If you are interested in collecting busted bonds, you could approach one of the whole or part-time dealers in the UK, about 10 in all. They have a collectors' club which meets once a month, and Leslie Tripp of Scripophily International Promotions, 156-170 Regent Street, London, could tell you how to get in touch with them.

Busted bonds are also sold on the stock exchange—and some are quoted daily in the Financial Times—but the ones you get there are likely to be pretty battered.

Stephen Edell examines how old people's interests are defended

Safeguards protect assets for the senile

MANY FAMILIES face distress and difficulty when their parents begin to lose their mental grip and need help in running their affairs. At least where the family is united, the obvious answer is to appoint a member of the family or a trusted friend or adviser to look after the parent's finances.

If the parent wishes to appoint somebody to do this, he creates a power of attorney. But at present English law invalidates the power at the very moment when it is most needed —it is automatically revoked by his subsequent mental incapacity.

The Enduring Powers of Attorney Bill, which is expected to complete its passage through Parliament by the end of April, will cure this major difficulty. It should help any family where mental incapacity threatens, however it is caused.

If your parent becomes mentally incapable, there are for the time being only two courses open. You can continue to operate an existing power of attorney for as long as you can persuade other members of the family and people such as bank managers to accept this.

Or, if you are unwilling or unable to do this, you will have to apply to the Court of Protection for the appointment of a receiver to run your parent's finances. That inevitably means some expense and delay and it involves a public body in your private affairs.

The new Bill will allow the creation of a new type of power (an Enduring Power of Attorney or EPA) which will not be revoked by subsequent mental incapacity.

If your parent uses the new power he will be taking a calculated risk because he will be unable to supervise the attorney once he has become incapable. Safeguards are therefore required, particularly since some well-publicised cases have shown that financial abuse of the elderly is not uncommon.

The first safeguard occurs when the EPA is signed. Your parent must be mentally capable then—otherwise he is not in a position to take the calculated risk. And some unsuitable people are excluded from acting as attorneys.

The EPA must be in a special form incorporating a statement by the signatory that he intends the power of attorney to continue after his mental incapacity.

It must also be signed by the attorney and be independently witnessed.

The attorney is prohibited from using your parent's assets to benefit anyone other than your parent—but he may use them to provide for the needs of any of your parent's dependents, including himself.

The second layer of safeguards comes into play when the attorney has reason to believe that your parent is becoming incapable. He must then apply for the power to be registered at the Court of Protection.

Before registration can take place the signatory and his nearest relatives must be notified. If they do not object the court will normally rubber-stamp the application without formality.

But if circumstances indicate that it would be unwise to allow the attorney to continue now that your parent is incapable, the court can refuse the application and require a receiver to be appointed instead.

The attorney can be a trusted financial adviser rather than a member of the family, and in these cases professional rules of conduct may provide other safeguards. The Bill therefore permits the Lord Chancellor to exempt certain classes of people—probably including solicitors and accountants—from the requirement that they notify the signatory and his relatives before they register the enduring power of attorney.

● *Stephen Edell is a partner in a firm of Westminster solicitors. He was formerly a Law Commissioner with special responsibility for the Enduring Powers of Attorney Bill.*

The right words in the right transfer trust

Eric Short looks at ways to avoid CTT

LIFE COMPANIES have been successful in marketing inheritance trust contracts to avoid Capital Transfer Tax. However, such schemes can be difficult to understand and complex to administer.

The basic principle is that the investor — the donor — gives the assets in the form of an interest-free loan. The money is invested in a single premium linked life bond and the loan is repaid in instalments under the withdrawal facility available under such bonds, to replace the income which has been lost.

Such schemes are designed to overcome the principal difficulty in CTT planning — finding a way of giving assets without losing the income available from those assets.

A different version launched by two life companies enables donors to give away assets and still retain some income without having to make use of the interest-free loan facility, which is artificial and vulnerable to Inland Revenue attack.

Sun Life claims that all that that is necessary in CTT planning is to have a suitable trust wording. This, it says, enables the donor to control his capital, receive an income and even provide flexibility as to the eventual destination of the benefits.

Under its Flexible Transfer Trust only one form needs to be signed. There is a choice of 16 funds in the investment bond.

The giver takes out a single premium policy and appoints trustees, but the accompanying trust deed specifies that he is entitled to a fixed sum—usually 95 per cent of the initial investment, to take account of the 5 per cent initial charge that will be deducted.

This sum will normally be repaid at the rate of 5 per cent of the initial investment, but the donor has complete control over his entitlement and can demand full or partial repayment from the trustees at any time.

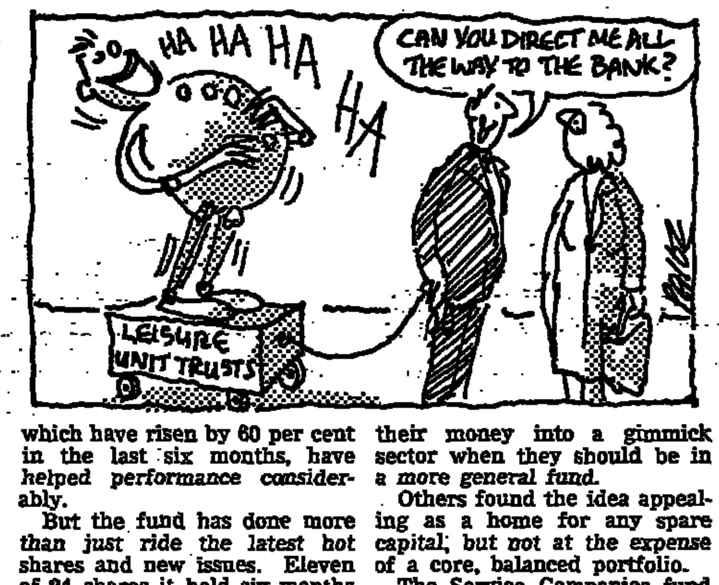
Skandia Life adopts a similar approach in its new Skandia Investment Trust, and again the key lies in the trust's wording. The donor retains an interest in a part of the trust fund equal to the investment made, while the growth achieved by the investment is for the benefit of the inheritors.

The automatic income facility level must be determined at the outset. The scheme offers provision to increase the investment or return part or all the fund to the donor.

These two companies seem to have introduced a new generation of CTT planning products. They achieve the object of passing on assets to minimise the CTT bill without having to resort to tortuous arrangements. Both companies claim that the Inland Revenue is satisfied with the approach, so other life companies could soon follow suit.

George Graham on specialised unit trusts

The exotic route to a fortune



LEISURE AND health care sectors may seem too specialised for you to invest in. Unit trusts have launched ever more esoteric funds over the years, but the latest specialist offering has a broader focus.

FS Service Companies Fund will invest in service sectors such as financial services, distribution, leisure and advertising. The fund's managers see it "filling the gap between the diversified UK growth trusts and those which specialise in smaller companies or leisure."

The company's only other unit trust, the 14-month-old FS Balanced Growth, has turned in a performance that rival fund managers describe as "staggeringly good."

An investor who bought units at FS Balanced Growth's launch at 100p could sell them for 216p. The fund leads the short-term performance tables in Money Management magazine with 94 per cent growth over the past 12 months.

FS started small, and it may be difficult to maintain this kind of performance with a £2m fund. With a very small fund one or two good shares can make a tremendous difference to performance.

New unit trusts have often failed to live up to promise shown in the first year or two.

This applies also to FS. Shares such as Samuelson, which have risen by 60 per cent in the last six months, have helped performance considerably.

But the fund has done more than just ride the latest hot shares and new issues. Eleven of 24 shares it held six months ago are still in the portfolio, and none has risen in value by less than 20 per cent. So the managers can claim to have selected their shares skilfully.

Several of these successful shares, Saatchi and Saatchi for example, will also feature in the new Service Companies fund. But is there any need for a fund specialising in this sector?

Some financial advisers feel specialisation has gone too far, and that there is a risk of tempting investors to put all their money into a gimmick sector when they should be in a more general fund.

Others found the idea appealing as a home for any spare capital; but not at the expense of a core, balanced portfolio.

The Service Companies fund will be less at risk from a sectoral downturn than more specialised funds investing only in, say, health care. It can shift from leisure to financial services, for instance, areas which may perform well at different times.

The best days of the service sector could, however, already be over. "The name of the game now is manufacturing and recovery, and capital investment companies," according to one rival fund manager.

George Graham joins the jostle for mortgages

Borrow on the back of a backlog

SPRING is in the air, and housebuyers are out sniffing at property. But after a year in which we were beginning to get used to readily available mortgage funds—and even to building societies advertising their mortgages on television—it now looks as though the mortgage queue may be back.

High mortgage rates have not deterred housebuyers, and building societies report that applications for loans are coming in thick and fast, in line with the normal upturn at this time of year. Demand may not quite match last year's but the building societies' slower intake of funds from investors in the last few months means that many are only just keeping their heads above the tide of applications.

The Woolwich and Nationwide Building Societies, which alone among the larger societies charge no more for larger loans, bear the brunt of demand. Their single rate of 13.875 per cent for repayment mortgages is proving attractive, and the Nationwide says it is lending record sums.

Other large societies—whose rates now start at 14.0 per cent and rise for larger mortgages—are not as snowed under, but the pace is still brisk. "We are meeting demand, but only just," said the Leeds Permanent, which is still waiting for its new Limited Edition 90-day notice investment account to start drawing in funds.

The Halifax, the largest British building soicety, says it is meeting demand but is not going in search of new outlets.

How long will you have to wait for your money if you need a mortgage to buy a new house or flat? Most societies say they try to stop a queue building up but the waiting list varies widely from area to area and from branch to branch.

The Leeds, for instance, says there are in general no waiting lists, and the average processing time for a mortgage application should be around three weeks.

After you have applied for a mortgage, it may take one to two weeks before you get an answer. The Abbey National says it tries to make an offer within seven days. It could, however, take longer if the building society's surveyor is busy or has difficulty getting into the house you want to buy.

The offer is likely to be made for some date in the future, but in most cases this delay will not cause the house-buyer any serious problems. The Woolwich says that six weeks is usually manageable, since the legal work on the purchase will take that long anyway.

On a newly built house, you may not need the money for several months, so a longer lead time may not cause problems. If you are in a desperate race to complete your purchase, most societies say they can speed up the process.

The pressure is heaviest in London and the South-East. The Leeds across the country will lend to non-investors, but one central London branch is insisting that borrowers should invest at the Leeds. It also says it has a three-month backlog of business, though this does not necessarily mean that you would have to wait that long.

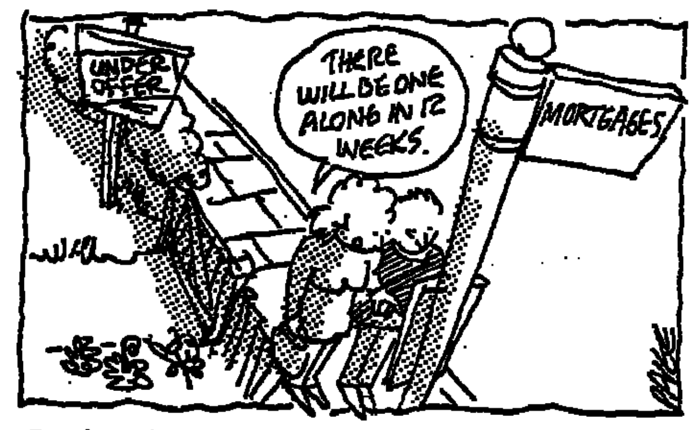
Other building societies have the same problems in London. The Woolwich says that across the country its waiting list for mortgages is around six weeks. But some London branches quote a delay of nine to 12 weeks.

Although the Nationwide says it is not imposing any formal lending restrictions, it is in practice giving mortgages only to existing investors. London branch managers insist that borrowers should have invested at least 10 per cent of the value of their mortgage with the society for six months or more.

MORTGAGE AVAILABILITY FROM THE LARGE BUILDING SOCIETIES

Lender	National delay	London delay	Loans to non-investors
Halifax	2 weeks	2-3 weeks	Yes
Abbey National	ave. 6-8 weeks	6-8 weeks*	Yes
Nationwide	within 2 months	3-4 weeks	No
Leeds	3 weeks	up to 3 months	Yes
Woolwich	6 weeks	9-12 weeks	No

* Can be less if needed.



But the society to watch most closely is the Abbey National, the UK's second largest building society. While it has mortgage funds available to non-investors, it also has a nasty habit of charging a higher rate of interest to these borrowers.

This extra charge is not something that the Abbey is open about. Officially, these charges are at the discretion of the indvidual branch manager, so the society's head office is very unwilling to disclose how much extra a non-investor would have to pay.

Central London branches will tell the casual inquirer that an additional 0.5 per cent is charged to non-investors in all cases. Why should a new borrower at one branch pay more than one at another branch, and without being told that the rate is different?

Since Abbey head office says the extra depends on negotiations between the branch manager and the housebuyer, your best course is to negotiate hard — or try another society, or even another branch of the Abbey.

The moral is that you should hunt around carefully before committing yourself to a mortgage, because the variations from society to society are now so large that you could find yourself paying hundreds of pounds more than necessary.

"The mortgage situation is grim for borrowers and perhaps particularly so for first time borrowers," according to Blay's Mortgage Tables, which publishes monthly comparisons of interest rates and conditions. Blay's says there is "a colossal variation in rates for the same mortgage. On an endowment mortgage of £30,000 it is possible to pay anything from 11.5 per cent to 17.125 per cent."

It suggests looking at some of the smaller building societies, some of which offer very fair rates to their members. Most, however, limit their mortgages to existing investors and local borrowers. Some of these are highly competitive, with societies such as the Chesham and the Hanley Economic charging only 13.75 per cent on many of their loans.

Small is not necessarily beautiful. Some of the smaller societies are among those charging the most exorbitant interest rates. Borrowers from the Kidderminster Equitable would be faced with the princely rate of 15.625 per cent on a repayment mortgage of up to £50,000. And the North Kent charges 16.625 per cent on loans of £20,000-£40,000 for houses built before 1919.

David Cohen reviews an Inland Revenue test case

Body blow to tax avoidance

DON'T BE TOO surprised if your tavx adviser follows up his detailed exposition of a seemingly foolproof way of saving tax with this warning: "... but there is always the possibility that the Inland Revenue will attack you under Furniss v Dawson principles."

Ever since the House of Lords delivered its body blow to tax avoidance in February 1984, when it decided the Furniss v Dawson case in favour of the Inland Revenue, tax professionals have been struggling to come to terms with the case and to assess its implications.

Mr Dawson owned a successful private company. He agreed to sell it to another company called Wood Bastow, and water to avoid the hefty capital gains tax bill which a direct sale would have produced. So he formed an Isle of Man company, Greenjacket. He then transferred all the shares in his UK company to Greenjacket, in exchange for shares in Greenjacket; a type of share-for-share swap exempt from CGT. Greenjacket (effectively owned by Dawson) then sold on the UK company shares to Wood Bastow.

The Revenue, in the person of tax inspector Mr Furniss, argued successfully that Greenjacket's role in the transaction should be ignored. With Greenjacket left out of the picture, all that remained was a straight sale on which Mr Dawson was subject to CGT. The case established the principle that where a prearranged series of transactions includes certain steps aimed solely at avoiding tax, those steps will be disregarded for tax purposes.

Taken to its logical conclusion, the ruling seemed to strike down many traditional tax-saving gambits.

A few categories of transaction are safe because the Inland Revenue has said so. For example, deeds of covenant; whether in favour of individuals—with a minimum term of seven years—or charities—minimum four years. Also, under the Capital Transfer provisions the Revenue has confirmed that it will allow a gift from husband to wife followed by a gift from wife to child.

These few cases apart, taxpayers and their advisers are very much on their own. Attempts to obtain internal copies of Revenue guidelines on how tax inspectors should apply Furniss-v-Dawson have met with no success. Faced with this situation, one possible approach is to analyse any proposed transaction to see whether it fits the Furniss-v-Dawson mould.

Consider, for example, the case of an individual who buys a freehold property on which an industrial building allowance is then obtained. The allowance will be lost if the property is sold, but not if a lease is granted. Instead of selling, the common practice is to grant a very long lease — eg, 999 years. Since this technique is used solely in order to obtain — or retain — a tax advantage, it may be threatened by Furniss.

However, Furniss seems to apply only to a preordained series of transactions, whereas the granting of a long lease is a single, isolated transaction. Moreover, the Furniss decision said only that the courts could disregard a step in a series of steps, not that they could rewrite the whole transaction.

It is hard to see what step can be disregarded in the IBA case. How can the tax effectiveness of the transaction be thwarted other than by rewriting the transaction as a sale instead of as a lease? These arguments suggest that Furniss should not apply.

This type of conventional legal reasoning can be applied, with equally reassuring results, to other tax-saving devices; but it is far from infallible. The judges in Furniss v Dawson said the law would develop from case to case, nobody knows yet the course it will take.

So what precautions can taxpayers take to reduce the risk of being challenged under Furniss? Delegates at a recent Longman seminar heard from Peter Millett, the Revenue's leading counsel in the Furniss case.

Millett made a distinction between the first step in a series, and a step taken on its own as "forward strategic planning," illustrating this distinction by reference to the facts of Furniss v Dawson.

Dawson lost because the House of Lords decided that his transfer of shares to Greenjacket was the beginning of a series of transatcions, culminating in the sale of his company by Greenjacket to Wood Bastow. In Millett's view, if Dawson had made the transfer to Greenjacket well before he had found a purchaser for the shares, simply in order to pave the way for a possible sale in the future, that would have been seen as forward strategic planning: Dawson would have saved his tax.

Apart from planning ahead, taxpayers can also improve their chances by emphasising the wider motives for a tax-saving manoeuvre. Furniss only affects transactions solely aimed at tax avoidance; if other, genuine, motives can be demonstrated, a taxpayer should be in the clear.

David Cohen is a solicitor practising in London.

George Graham on a smoother income plan

Fixed payments can be inflexible

HOW CAN YOU give yourself a regular income that doesn't fluctuate from month to month? The answer many people choose when they retire—when the income from their savings becomes more important to them—is to put their money into the building society.

But building society interest rates have become more and more volatile. Even today's lower inflation rates can eat rapidly into the capital value of your money.

Hill Samuel thinks it has the answer. Its Monthly Income Scheme aims to produce a steady income payment each month without sacrificing the prospect of capital growth.

The scheme packages three of the group's income-oriented unit trusts together with a "seven-day notice" account at the Nottingham Building Society. All dividends from the unit trusts are paid into the building society account; regular monthly income is paid to the investor from this account. Minimum investment in the scheme is £6,000.

Hill Samuel fixes the level of income each March: this year at 6.5 per cent. But you can choose your own combination of the three unit trusts, whose yields range from 5.29 per cent to 10.45 per cent. At present the Nottingham account pays 9.5 per cent net of basic rate tax.

If you select a combination giving an income higher than the 6.5 per cent fixed by Hill Samuel, the dividends will accumulate in your building society account. (If it gives less, you could find you are eating into your capital after all).

The package offers nothing you could not do for yourself by investing in income unit trusts, setting up a building society account alongside. And if you decide to alter the spread of your investments, you will receive only the normal 2 per cent discount Hill Samuel allows to any investor moving from one of its unit trusts to another.

In fact, you will have considerably less flexibility in this scheme. The level of income is fixed, and you will only be allowed to switch from one fund to another at the end of the plan's year, in March. But the convenience of a package deal may appeal to some investors.

It is not quite the first step in the selling of unit trusts through building societies for, despite its involvement, the Nottingham will not be marketing the scheme in its branches.

But it fits in well with Nottingham's long-term plans. Audrey Head, managing director of Hill Samuel Unit Trust Managers, says she may shortly suggest to the Unit Trust Association that building societies should become eligible to receive full commission from unit trust managers, in common with licensed dealers, and members of the National Association of Security Dealers and Investment Managers (Nasdim).

Managed funds 'have let the private investor down'

WHEN INSURANCE companies promote their investment bonds, one of their main marketing points is the freedom to switch without charge, or at nominal cost only, from one fund to another within the bond. But how many investors make use of this facility once they have bought the bond?

Peter Gregory, who handles tax and financial planning at stockbrokers Hoare Govett, believes the figure may be as low as 1 per cent of all those who have invested in single premium bonds. The rest usually remain in the insurance company's managed fund, and Gregory doesn't think much of these.

"Managed funds have let the private investor down," he says. He accuses them of sticking rigidly to the same spread of market sectors, adding that many do not have the international investments necessary today to achieve good performance.

Gregory also thinks that the insurance brokers who sell the investment bonds are letting their clients down. Their commission is meant to cover not only the selling of the bond, but continuing advice on when and where to switch.

"I don't think the average investor realises he is paying for ongoing advice in the 5 per cent front end charge," he says. And many insurance brokers are simply not competent to advise on whether to move out of a Hong Kong fund or into property.

To tap this market, Hoare Govett is launching a bond monitoring and switching service, similar in style to its existing unit trust advisory service. It requires a minimum stake of £6,000, and can cover any unit-linked investment.

The catch is that you pay for the service twice. Hoare Govett will get no commission on the switches it makes—as it would for unit trusts—so it will charge a management fee of 0.5 per cent a year on the first £75,000, and 0.25 per cent on the balance above that. (Ironically, your insurance broker could still be getting renewal commission on a bond that you have already turned over to Hoare Govett).

Gregory wishes people who need single premium bonds would buy the right bonds, but he feels that instead "they end up with all sorts of rubbish." But he plans at least to offer them some active management of the underlying funds.

George Graham

BUILDING SOCIETY RATES

	Share	Sub'pn	Others	
Abbey National	7.50	8.50	8.75	Seven-day account
			9.25	Higher interest acc. 90 days' notice or charge
			6.25-8.75	Cheque-Save
Aid to Thrift	9.60	—	—	Easy withdrawal, no penalty
Alliance	8.25	9.25	9.50	7 days' notice. Immed. wdl. if balance £2,500+ Int. pd. ½-yrly., mthly. inc. optn. if bal. £1,000+
			10.00	Bank save. Balance of £2,500. Current account
Anglia	8.25	9.25	10.25	High Income Bond. Withdrwls. after first year
			10.00	Capital Share. No notice. 1 month's penalty
			9.75	Instant Gold. Annual int. No notice or penalty
Barnsley	8.25	10.00	10.50	2-year termshare—3 months' notice
			10.10	Spec. inv. (28 dys.' not.), 10.10 Mthly. inc. a/c
Bradford and Bingley	8.25	9.25	10.00	Premium access. On demand, no pen. £1,000+
			10.75	High interest. 3 months' notice or 90-day pen.
Bristol and West	8.25	9.25	9.50	Plus a/c £1,000+. No notice. No penalty
			10.25	£20,000+, 10.00 £5,000+, 9.75 £1,000+. 7-day notice Triple Bonus. Also Monthly Income
Britannia	8.25	9.25	10.30	28 days' notice £10,000+
Cardiff	9.75	9.85	10.25	90 days' not. Penalty if balance under £10,000
Catholic	8.55	9.55	10.05	Extra share, £5,001+ 10.30, 30 days' notice
Century (Edinburgh)	8.85	—	9.30	Guaranteed rate 2/3 yrs. (or variable account)
Chelsea	8.25	9.25	10.55	Immed. withdwl. int. pen. or 3 months' notice
Cheltenham and Gloucester	—	9.25	8.00	Gold. No not. No pens. £500− 8.25, £500+ 10.25. Mly. int. a/c 9.8 £5,000+, 10.25 mly. int.
Citizens Regency	8.25	9.75	10.00	7 days, 10.00 1 month, 10.25 3 months
City of London (The)	8.50	9.75	10.25	3 months' notice—no penalty—monthly income
			9.95	21 days' not. im. access for amounts over £5,000
			9.75	7 days' not. im. access for amounts over £5,000
Coventry	8.25	9.50	10.50	2-year bond £1,000+, close 90 days' notice and penalty, monthly inc. opt., guaranteed 2.25 diff. Moneymaker inst. acc. no pen. 10.30 £20,000+, 10.05 £5,000+, 9.75 £1,000+ monthly inc. opt.
Derbyshire	8.25	9.50	10.25	2 y., 3 m. not. with pen. 9.50 no not./pn. m. inc.
Gateway	8.25	9.25	10.03	Gold star £1,000+. No notice. No penalties. Monthly int. £5,000+, 10.50 if added to account
Greenwich	8.25	—	10.25	90-day account (no notice account 9.50-10.00)
Guardian	8.50	—	10.60	6 m. not. (£1,000 min.) easy acc. bal. £10,000+
Halifax	8.25	9.25	9.75	Instant Xtra, min. interest, no pen.
			10.00	90-day Xtra, 90 days' notice, no penalty
			10.25	Prem. Xtra (£10,000 min.) g'td 2pc diff. 3 yrs.
Heart of England	8.25	9.50	10.00	90-day notice, 9.50 5-day notice
Hemel Hempstead	8.25	9.75	10.50	90 days. 10.25 60 days. 10.00 28 days
Hendon	9.35	—	10.10	7-day account. Minimum £500
Hinckley and Rugby	8.25	11.55	10.35	90-day = 10.86 monthly income reinvested
Lambeth	8.40	9.50	9.90	7-d. a/c, 10.60 Magnum a/c 6 wks.+loss of int.
Leamington Spa	8.35	—	10.00	Spa mthly. income, no not., no pen. £5,000 min.
			10.50	High flyer, no notice, no penalty, £10,000 min.
			10.40	Supershare, no not., 14 days' pen. £2,000 min.
Leeds and Holbeck	8.25	10.00	10.00	Monthly int., 10.15 28 days' not., 10.25 90 days' not. or pen., neither if £10,000 still in account
Leeds Permanent	7.50	8.50	8.75	Liquid gold. No not. no pen. (9.00 on bal. of £2,500+) HRAS 10th issue 9.25 3 months' not.
Leicester	8.25	9.25	9.60	£500+ im. wdl. no pn. 10.51 c. m. 1 yr. £2,000+
London Permanent	8.75	—	10.25	60 d. not. or imm. wdl. no pen. if bal. £7,500+
Midshires	8.25	—	10.50	2 yr. term. 2.25% diff. guaranteed. 3 m. notice or pen.
Mornington	*9.05	7.80	9.05	£2K. 9.25 £2K+, 9.35 £10K+, 9.5 £20K+ *£2K−
National Counties	†8.55	9.80	10.55	90 days' notice, no penalty. † £1,000+
National and Provincial	8.25	9.25	10.50	APEX (+2.25pc gtd. 3 yrs.) im. wdl. 60 d. pen.
			10.00	90 days' notice/pen. unless bal. stays £10,000+
			9.75	28 days' notice/pen. unless bal. stays £1,000+
Nationwide	8.25	9.25	10.00	Capital bonds, 3 yrs., 90 days' notice/penalty
			10.00	Bonus-90, 90 days' notice/penalty
			9.75	Super bonus, 28 days' notice/penalty
			9.50	Bonus-7, 7 days' notice/penalty
Newcastle	8.25	9.50	10.05	60 days' not.; 9.75 28 days' not.; 9.25 7 days' not. On demand by arrangement
Northern Rock	8.25	9.50	10.25	Moneyspinner plus £20,000 or more
			10.00	Moneyspinner plus £5,000 or more
			9.75	Moneyspinner plus £500 or more
Norwich	8.25	9.50	9.80	7-d. share/monthly inc. opt. 10.00 on £10,000+
Peckham	8.25	—	9.25-9.75	imm wdl. if over £2,000. Monthly income
Peterborough	8.25	9.55	10.25	Flexi-plus 60 days' notice monthly income
Portman	7.50	9.25	9.10	Flexi-plus. Minimum £500. No notice imm. wdl.
			9.50	Prem. Min. £500. 2 months' notice. No penalty
Portsmouth	8.40	9.90	10.55	3 yrs., 10.35 90 days, 10.10 30 days, 9.80 7 days
Property Owners	8.75	10.25	10.55	3 mths., 10.25 6 mths., 10.10 28 d., 10.00 im. ac.
Scarborough	8.25	9.50	10.25	2-yr. limited share, 1.75 guaranteed differential
Skipton	8.25	9.50	10.35	Sovereign £10,000+ instant access—no penalty
			10.00	Svrgn. £500-£9,999 mthly. inc.—min. inv. £2,500
Stroud	8.25	9.50	10.75	2-year term; notice accounts with monthly income option 10.05 90-day, 9.80 28-day
Sussex County	8.25	9.70	9.50	7-day, 9.90 Sussex high, 10.30 90-day
Sussex Mutual	7.75	9.00	9.15	Over £5,000, imm. wdl. Under £5,000, 7 d. not.
Thrift	8.50	—	9.50	3-year term. Other accounts available
Town and Country	8.25	—	10.50	7.00 Moneywise chq./Visa. Int. varies w. balnce.
			10.50	3-year term. Monthly inc. £1,000+. Wdl. avail.
			9.75	Supershare. Immed. wdl. No pen. Imm. £500
Wessex	10.10	—	—	No notice—no penalties—minimum £1
Woolwich	8.25	—	9.75	Prime—no notice, no penalty, minimum £500
			9.75	Monthly income shares, 28 days' notice
			10.00	Capital, 90 days' notice/penalty
Yorkshire	8.25	9.25	10.15	Diamond key, 28 days' notice or 28 days' pen.

All these % rates are after basic rate tax liability has been settled on behalf of the investor.

Check your cover

Eric Short examines some hazards of divided responsibility in flat insurance contracts

THE GAS explosion earlier this year at a block of flats in Putney, London, resulted in deaths and homelessness. It also highlighted the complication of the insurance arrangements covering man y older blocks of flats.

A modern style flat insurance policy taken out by the landlord will insure all the buildings, including interior walls, windows and what is termed the "common parts" — the facilities used by all or most tenants such as lifts, staircases, and hallways. The landlord includes the insurance costs in the rent (or ground rent). The tenants need insure only the contents of their flats.

This seems a perfectly natural division of insurance responsibilities. But with the older type of flat insurance contract, a different logic was applied, and many such policies may remain in force.

In such cases it is usual to find that the landlord is responsible only for insuring the outer walls, the roof and perhaps some oft he common parts. The tenant is responsible for insuring windows, interior walls and loors. The logic is that, should a window be broken, the tenant will claim on his contract, thus freeing the landlord of the necessity of dealing with small claims.

Insurance companies will write contracts that dovetail into the main insurance. But as the Putney tenants found, a plethora of insurance contracts can cause all sorts of administrative problems and delays when a major accident happens.

Each insurance company involved will appoint its own loss adjuster. Damage has to be assessed and costs have to be apportioned.

Flat dwellers would be well-advised to check on their own position. The first move should be to find out what insurance is carried by the landlord. If it is comprehensive, all well and good.

If not, the next step is for the tenants to form an association to persuade the landlord to switch to a modern contract. They should accept the increase in rent needed to meet the higher insurance costs for the landlord.

If the landlord will not change his insurance, however, then the tenant's association should consider taking out a common policy to supplement the landlord's contract, with the same insurer. This should result in complete cover, with no gaps or overlaps.

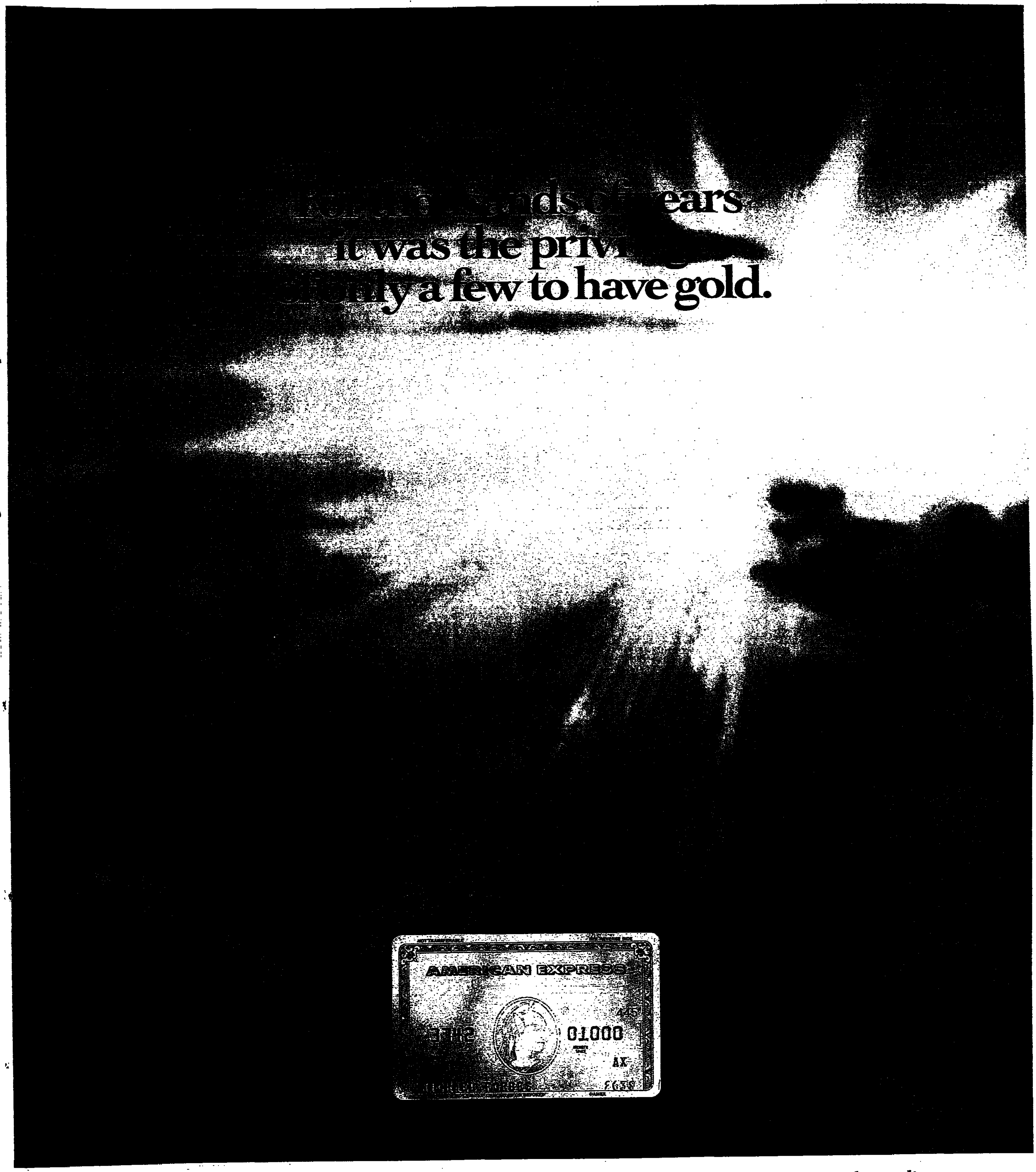
It is surprising that in practice many tenants do not know the insurance position and do not know their rights under the terms of their lease. It may well be advisable for the tenants' association to use the services of a registered insurance broker familiar with this type of insurance.

All flat dwellers, whether under the old orthe modern comprehensive type of insurance, need to consider one particular aspect in the cover provided. This relates to the expenses of alternative accommodation while the block of flats is being rebuilt.

This cost of alternative cover is standard on all houses and/or contents insurance policies. Individuals made homeless can have the costs of living in hotels paid while their property is made habitable. But there is a limit to the overall costs, such as 10 per cent of the value of the contents.

Thus, if contents are insured for £15,000, the family can run up hotel bills of up to £1,500. With houses this is normally sufficient to provide alternative accommodation until the house is made habitable. The insurance company is limiting its responsibility and at the same time is encouraging the householder to get a move on in reinstating his house.

But with flats, the tenants have no direct authority over the rebuilding process and the time scale involved is typically much longer — months instead of weeks. Cover under a normal contents policy could well be insufficient. Special cover would be needed.


a few to have gold.
AMERICAN EXPRESS
01000
AX

CHESS/BRIDGE

PROPERTY

CHESS

LEONARD BARDEN

A few chess masters will always be associated with their skills in handling a particular piece. Tchigorin was the specialist in knights, Philidor in pawns and Maroczy in queens while, today, Smyslov is a fine exponent of rook endgames.

Isaac Kashdan, who died in his home city, Los Angeles, in February, aged 79, had such a flair with bishops and his accurate technique earned him the nickname "the little Capablanca." Kashdan, recognised in the world top 10 around 1930, was named as a likely successor by the then champion, Alekhine; and he helped the U.S. team to four gold medals in the olympics of 1931-37. But he was unlucky in his quest for the U.S. title, which could have furthered his world ambitions: at his peak, in the depression years, there were no funds for a match against the ageing champion, Marshall: and when the title system changed to a tournament in 1936, Kashdan was overtaken by the younger Fine and Reshevsky.

So the modest Kashdan took a job outside chess and became a writer and organiser. Again, his contributions were important and underestimated: he was the driving force behind the Santa Monica tournaments of the 1960s and the Lone Pine annuals of the 1970s, and directed the abrasive Fischer-Reshevsky match which ended up in the law courts.

Kashdan viewed his prized bishop pair mainly as a weapon for the endgame, or for middle games with an early queen exchange: given the opportunity he could also use them brilliantly in attack. The win below is a harmonious blend of strategy and tactics.

White: I. Kashdan. Black: O. Tenner.

Queen's Gambit Declined (Manhattan CC championship, New York 1934).

1 P-Q4, P-Q4, 2 P-QB4, P-K3; 3 N-QB3, N-KB3; 4 N-B3, QN-Q2; 5 B-N5, B-N5; 6 PxP, PxP; 7 Q-N3.

Going for his favoured bishop pair by forcing play, though Q-B2, P-K3 and B-Q3 is more precise.

7 . . . P-B4; 8 B-Q2, BxN; 9 BxB, O-O; 10 P-K3, P-B5.

A double-edged plan which blocks the centre but leaves White options of P-QN3 and P-K4. An alternative is P-QN3 with Q-B2 and B-N2.

11 Q-B2, N-K5; 12 B-K2, Q-K2; 13 O-O, P-QN4?

Now White's attacked bishop can withdraw, and the Kashdan B-pair become active. Preferable is NxB; 14 PxN, N-B3 when White's advantage is only slight.

14 B-K1, P-B4? (further loosening; better B-N2); 15 P-QN3! B-N2; 16 PxP, NPxP.

16 . . . QPxP is more consistent, but then 17 Q-N2, B-B3; 18 B-N4, N-Q3; 19 N-K5 wins a pawn.

17 R-N1, KR-N1; 18 B-R5, B-B3?

Losing a pawn outright. After B-R3; 19 Q-R4 White has increased pressure, but no clear win.

19 BxP! Q-R6, 20 B-N3, Q-Q3? 21 B-B7! Q-K3.

Two tactical strikes, and Black's game is suddenly in ruins. Since QxB; 22 BxP ch wins two pawns, Black gives up the exchange.

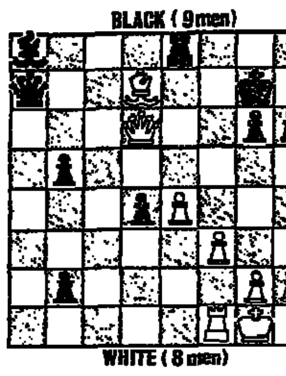
22 BxR, RxB; 23 B-R4!

A clever trap: Black can apparently regain lost material, but there is a hidden point.

23...RxR; 24 RxR, BxB; 25 QxB, N-B6; 26 QxN! Resigns. For if QxQ; 27 R-N8 ch, K-B2; 28 N-K5 ch wins.

POSITION No. 563

BLACK (9men)

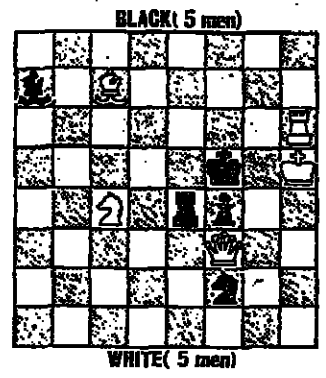


WHITE (8 men)

From a Hungarian master tournament, 1972. Black (to play) is a passed pawn up, but it isn't easy. The obvious R-Q1? is met by Q-K7 ch and R-KB1 by P-K5. It took Black five moves to force resignation, following several surprise turns. How did the game end?

PROBLEM No. 563

BLACK (5 men)



WHITE (5 men)

White mates in two moves against any defence (by J. Kupper). Over-the-board masters who are also problem composers form a rare breed, but Josef Kupper is a Swiss ex-champion who led their team at the 1954 chess Olympics.

Solutions Page 14

BRIDGE

E P C COTTER

WHEN I was in Washington last summer, I was delighted to see Freddie Sheinwold again. He is one of my favourite writers, so in tribute to him I retell one of his hands:

N
♠ K 6
♥ 6 3 2
♦ K Q 7 6
♣ A Q 10 5

W
♠ J 9 7 4 3
♥ J
♦ J 9 8 4 3 2
♣ 6

E
♠ 10 2
♥ K Q 9 8 7 4
♦ 5
♣ K J 9 2

S
♠ A Q 8 5
♥ A 10 5
♦ A 10
♣ 8 7 4 3

With both sides vulnerable, North dealt and bid one club, East overcalled with one heart, and South said one spade. After West had passed, North rebid two clubs, and South jumped to three no trumps.

West led his heart Knave, on which East dropped the nine, and this was allowed to hold. Forced to switch, West led the six of clubs, which was covered by dummy's ten, and the Knave won. East led back the heart King, declarer won, and West discarded the two of diamonds. South now cashed his diamond Ace, and continued with the ten, covered by Knave and Queen, and East threw the two of clubs. The diamond King came next, East throwing a heart, and South a club. Cashing the spade King on the table, declarer crossed to his Queen, and made the Ace.

On this trick East threw another heart, and the whole distribution was revealed. West had started life with five spades, six diamonds, and a singleton in both hearts and clubs. East's hand was an open book — he had started with a 2-6-1-4 pattern, and now after nine tricks had been played, he had been squeezed down to Queen, eight of hearts, and King, nine of clubs.

The stage was set for the throw-in. The declarer led his ten of hearts, which East was forced to win with his Queen, and after cashing the eight, he could not avoid giving the last two tricks to dummy's Ace and Queen of clubs. A smooth performance by South.

Another deal from rubber bridge teaches two lessons. First, the declarer through carelessness (or shall we say greed?) neglected to employ a safety play which would have ensured his contract; second, he atoned for his earlier slip by accurate card reading, disproving the old cliché that the cards never forgive:

N
♠ 9 3 2
♥ J 7 2
♦ A K 5 4 3
♣ 6 2

W
♠ K 10 4
♥ 9
♦ J 10 9 2
♣ A 8 7 5 4

E
♠ J 8 7 5
♥ Q 10 8 6 4 3
♦ Q
♣ J 3

S
♠ A Q 6
♥ A K 5
♦ 8 7 6
♣ K Q 10 9

At game all South dealt and bid one no trump, and went three after a single raise from his partner. West led the five of clubs, and South won East's Knave with his King. Declarer led the six of diamonds. West and dummy played low, and the Queen won. The three of clubs was returned to the Queen and Ace. Seeing no future in the club suit, West switched to the heart nine, East covered dummy's Knave with the Queen, and the King won. South played another diamond, and West produced the ten. If dummy ducks a second time, the contract is safe with three clubs, three diamonds, two hearts, and one spade. But South, throwing caution aside, played the King and East showed out.

South started to think up an alibi for his bad play to mollify his partner. However, being basically a good player, he first started to count the enemy hands. If West had, as seemed certain, started with nine cards in the minors, he could hold only four in the majors. South crossed to his Ace of hearts, and when West discarded a spade, the way was clear. He cashed his two club winners, crossed to the diamond Ace, and threw West in with another diamond. After making his long club, West had to lead from his spade King into South's major tenace.

Flat-season gains impetus in London

MORE AND MORE of central London's period terraces are being taken over by developers, who convert many of the big houses to flats.

Hardly a house around Onslow Gardens and Cranley Gardens, off the Old Brompton Road, SW7, lacks a developer's board or a mass of scaffolding.

Young property entrepreneurs speeding from one building project to another, whether conversion, refurbishment or rebuild, contend that this type of accommodation is what people living and working in London want.

They provide easily-managed, well-proportioned, distinctive flats with brand new equipment and fittings and smart communal areas. The building will have service and maintenance charges far below some of the rapidly-decaying mansion blocks.

"Often the heating system in these pre-war blocks is inefficient and costly, the halls and passageways scruffy with shabby floor coverings and peeling paint. Most essentials need updating, from the kitchens and bathrooms to the lifts, as well as the security arrangements," declares John Parker, a director of Brian Lack and Co.

Some planning authorities are concerned over the disappearance of the bedsit. They want a proportion of units to be studio or one-bedroom apartments, particularly in conversions or restorations in Kensington and Chelsea.

Prices of "new" flats, with their extra amenities, are rather high. In some areas of central London it is becoming difficult to find a quality studio for under £40,000-£50,000; one and two-bedroom flats are well on the way to £75,000 and more.

With these top-of-the-market figures, it should be borne in mind that resale values, particularly on smaller units, could remain static in an overcrowded market.

But whether such developments are launched with the razzamatazz of a special preview (often nothing more than an ego trip to see how many "names" a developer or agent can get in), or are quietly sold off-plan, professional enthusiasm is there.

"It is marvellous market," insists Edward Wood, who successfully disposed of "restructured" apartments at 56 and 58 Elm Park Road on the Sloane Stanley estate, last year. His company, Residential Holdings, 7 Bunhouse Place, SW1, is redeveloping two period houses at 4-6 Sloane Gardens, and another two at 31-33 Cranley Gardens.

Prices for two- to four-bedroom flats are mainly in the £100,000-plus bracket. You can buy in the "working" stage, or wait until some stylish show-apartments are ready in the summer. The agents are Savills, Jackson Stops and Staff, and Farley and Co.

Next door, at 25-29 Cranley Gardens, Cluttons' Chelsea office is selling another new development, where one-bedroom flats cost from £87,000.

Interest in Venetian House, Warrington Crescent, W9, is such that well over 2,000 invitations were sent out for tomorrow's preview. If you want an invitation, contact the agents, Brian Lack and Co (01-586 5929), or Benham and Reeves (01-722 7744), today or on Sunday morning.

The rebuilding of Venetian House, three stucco-fronted, near-derelict, 19th century, houses, now 20 innovatively-styled flats, incorporates some imaginative ideas. Galleried bedrooms are reached by spiral staircases. A sort of ship's ladder leads to a crow's nest of a room in what is described as "an apartment for the trend-setting individualist."

Pieds-a-terre start at £59,500; a large penthouse with spectacular views from the roof terrace is £250,000.

June Field

A gallery apartment in the rebuilt Venetian House at Warrington Crescent, London W9.

If only spring would spring

I CAME home from New Zealand in the first week of April to a landscape devoid of all signs of spring. In fact the auguries were less promising than they had been when I left home early in February. There was less grass on the lawn. In February too one could see catkins showing signs of life on the hazel, and even a touch of green on the elder, they were now bare and barren as in a Russian winter.

The reason for this was that the mild spell in early February was succeeded by two atrocious spells of hard weather. It put paid to any hope of early spring and this is compounded in my case by the fact that the altitude of the farm is between the 600 and 800-ft contours. Someone once told me that temperature falls by one degree farenheit for every 100 feet elevation. I found this out long after I had become established here and it was too late to change.

I doubt if the altitude has much to do with the sort of farming I do. The higher rainfall it attracts, several inches more than that measured around Winchester 20 miles to the south, is good for grass, but I don't enjoy the lateness of the spring. On my first morning at home I walked over the farm and found the buds of all the trees still tightly shut, although there had been no frost for at least three nights.

Within a day or two one or two of the horse chestnut buds were moving a bit. I like chestnuts for this season alone. They will make a show of spring when everything else is still asleep. My trees are late compared with one on a neighbouring farm at even higher level than mine. This tree bursts into leaf a good week before any of mine.

So last autumn I ducked under the fence and took half a dozen nuts planting them in damp peat. During my absence the peat was kept damp but when I examined them on my return they had rotted and had to be thrown out.

I suppose I could buy some from a nursery, but they would be unlikely to be of this particularly early strain which does give me the promise that spring is not so very far away. Actually one has to be careful where one plants them. I once lost a cow which developed a taste for the nuts, gorged herself one autumn day after a storm which had shaken them down, and died.

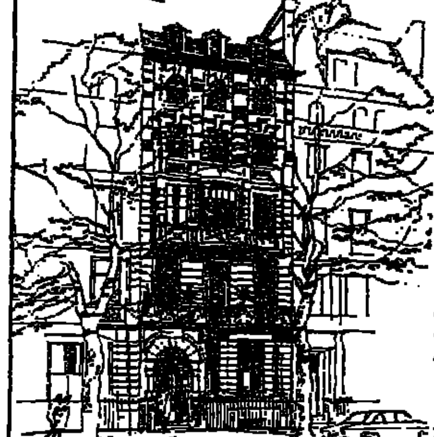
Just before writing this I was sheltering from a rainstorm, and the hedge was hardly breaking the strength of the wind at all. In fact it was probably making it worse as the bare branches were dividing the blast into a series of concentrated draughts which seemed to get through my protective clothing with ease.

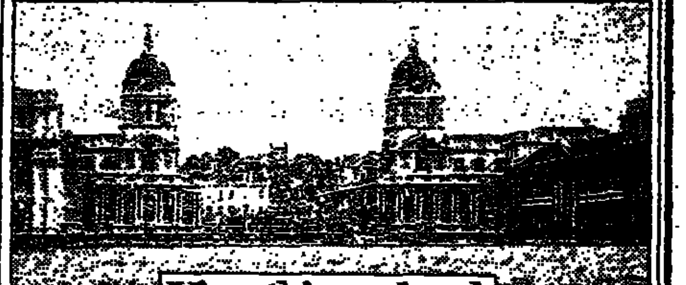
In New Zealand there are extensive plantings of shelter hedges, but these are generally of Macrocarpa planted thickly and kept trimmed into an almost solid wall of evergreen some 12 ft or so high. They are most effective but I wonder if the environmentalists would like to see them dominating the landscape with their dark green foliage.

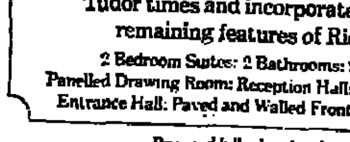
What is surprising me about this spring is the fact that the autumn sown cereals are growing well up to normal and the grass at least is green where it has been fertilised with nitrogen. Would it be possible I wonder to induce spring in my woods and hedges by similar means?

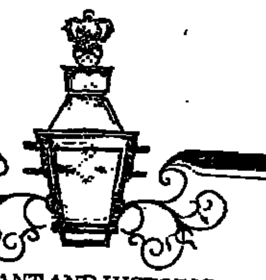
The delay in spring is not all loss. I shall be having the pleasure of an English spring which will be all the most welcome after the dull conformity of New Zealand's evergeen landscape.

John Cherrington









TRAVEL

Ireland of dreams and drisheen

BY ARTHUR SANDLES

IT WAS a coincidental meeting over a meal. The setting, a rural restaurant in Washington State, is immaterial. One of the party just happened to mention that she was thinking about a holiday in Ireland. Immediately there was a rush of enthusiasm. Recommendations of things to do, places to see, souvenirs to buy . . . Then came the question that silenced everyone. "Yes, but none of you have said why I should choose Ireland."

Ireland cannot be summed up in a sentence. Almost everything about Ireland is wrong. The weather is bad, the food not particularly inspiring, it is expensive and driving can be as much an irritant as a joy. And yet there is something magical about the place. I go there for my own holidays from time to time and love it, but cannot explain it.

Even the Irish Tourist Board, paid to promote the nation's attractions, admits defeat when asked the simple question "Why Ireland?" All it can say is:

"Ireland is unique. Its land, its people are like no other. There's an atmosphere to the place. And a welcome that remains with you. One visit will never be enough. It's a place to which you'll return."

Most visitors identify Ireland with its western attractions, and rightly so. Dublin is a pleasant enough place but it has adapted badly to the twentieth century. The west is a land where the dreams of Ireland become a reality. Its people have a sturdy independence and a joyfully cynical view of the intrusions of the outside world and of authority.

To sample Ireland at its best, in the west, a car is an essential. If you survive the sea crossing, not usually one of the world's pleasantest, the drive from the southern gateways to the real west is pleasant enough. But, I prefer to use fly-drive using Cork or Shannon as a starting point. (Details from Aer Lingus, British Airways and Dan Air.)

For Cork itself this is a big year, an 800th anniversary—or not as the case may be. The city is making much of its having held city status for 800 years although with Irish inevitability the day in 1185 that is being marked was more of a milestone than a starting point. Cork really owes its origins to St Finn Barre who started things going in or around the sixth century . . . or maybe not, since there are arguments over his actual life-span and even over whether he existed at all.

Confused? You will be by a city which is a bubbling melange of ancient and modern, legend and fact. From the clean almost scrubbed lines of the City Hall to the bustle and colour of the quaysides, where all the serious drinking and talking is done.

Now I can backtrack a little on my earlier slander about the food. Cork is something of a showpiece area for Irish cuisine, its culinary wealth based largely on an abundance of good ingredients—fish, vegetables, beef, lamb and, almost above all, offal. Talk you not of the black puddings of England, or the *boudins blanc* and *noir* of France, until you have sampled the *drisheen* of Cork.

At the Arbutus Lodge the Ryan families, two brothers and their wives, do wonderous things with the offal of today, as well as less earthy fare. Dinner is a splendidly sybaritic experience, for lunch, however, I woud stick to the bar area and sample local ale with tripe and drisheen.

I have not yet sampled, but have been urged to do so, the main Arbutus rivals, Longueville House, which is a little way from Cork City itself, Lovetts, which has a considerable reputation for its sea food and Ballymaloe House, with its own 500-acre farm and set in a castle with a Norman keep.

Criticism of Irish food is based, as far as I am concerned, on the problem of finding pleasant, non-alcoholic, resting places for a lunch-time repast in the rural areas.

Back to Cork, where the "trails" that carry visitors around the main attractions are marked with green and white symbols which will guide you to the Red Abbey, St Finn Barre's cathedral (if your spelling differs from mine, put it down to yet another Irish mystery), Shandon Church, where you can climb the stairs and play the bells, and St Patrick Street, which curves so much simply because it is built over a river.

The Blarney Stone is only just down the road, a test of agility for all. It comes as a surprise to many visitors that this is one legend whose origins are not lost in the mists of Irish time. You can blame the Blarney tale on a solid enough English queen, Elizabeth, who became so infuriated by the prevaracating of the then Lord of Blarney, Cormac MacDermot Carthy, that she exploded: "This is all Blarney—what he says he never means."

My own favourite stopping place nearby is Kinsale, so pretty as to look like the film set is has often been. The little boats cram the harbour seeming at times to outnumber the thousands of birds that whirl around the place constantly.

If you do not want to keep moving around and simply wish to leave the car keys at home then Kinsale would be an excellent choice, particularly in June or September, out of the crowded main tourist season.

Renting a horse-drawn caravan for a week would cost our family of four £86 each if they went with their own car. Two adults travelling together on a fly drive holiday with hotels pre-paid (there is a choice of 48 of them) would pay £272 each from London.

Details of these and other holidays can be obtained from local Irish Tourist Board offices which in the UK are in London, Manchester, Birmingham and Glasgow (see your local telephone book). The London address is 150 New Bond Street, London W1Y/OAQ.

Birds and boats: Kinsale, County Cork

Enjoying the corn snow

BY ARTHUR SANDLES

SOME CALL it "corn snow," some "spring skiing," some just plain slush. It comes wet, thick and sticky and a lot of skiers hate it.

Corn snow is snow in small round lumps, like sweet-corn. It arrives with the best of the ski year—bright long days, burning sunshine and high temperatures. It has a reputation for leg-breaking rivalled only by sheet ice. It hides rocks, makes you work hard, and slows you down—and it's wonderful.

This week corn snow surrounded Timberline Lodge in Oregon, on the side of Mt Hood, about 60 miles from Portland Airport.

Timberline was built as part of the Thirties "New Deal," a welfare project which brought hundreds of Oregon unemployed together to construct an all-timber palace on a mountainside at the spot where the trees end. The sense of being away from it all is remarkable: The mountain towers above you; below there is nothing but an ocean of trees.

Last week a massive snow storm swept through the western U.S. mountain areas, followed by a heatwave—hence the corn snow.

Like most British recreational skiers I have a deep suspicion of the stuff. The difficulty is that skid turns cause trouble in corn snow — and once-a-year skiers are usually skid-turners. If you can relax and come out of the turns more gently, letting its stickiness slow you down, you will enjoy it more. Corn snow appears only when temperatures rise and, usually, when the sun is out. This makes for shirt-sleeve, or even bathing suit, skiing — an unbeatable experience.

The U.S. ski areas are an excellent choice for business visitors who want to take a few days' relaxation. Let's hope the dollar tumbles a little more and makes vacationing more of a prospect.

Icy prospect: Timberline Lodge, Mt Hood, Oregan

MOTORING

Village hall on wheels

BY STUART MARSHALL

USING A car for moving furniture has its problems. Years ago, when my wife wanted a favourite chesterfield taken to the upholsterer, I kept putting off the evil day with the excuse that I was waiting to test a *really big estate car*.

When a monstrous American station wagon arrived at my door, I knew my time had run out. The station wagon looked as big as a No 9 bus; but when I lifted the tailgate and offered up the chesterfield, the sofa wouldn't go in. The roof was too low.

I wasn't going to be defeated, so I got my wife's Renault-4 out of the garage. A car in which dustbins can be stood vertically surely wouldn't refuse a measly *sofa*? It didn't. True, it wouldn't go all the way in and the Renault look like a python trying to swallow a sheep as I drove triumphantly away. I've had a warm regard for the ugly tinny and infinitely practical Renault-4 ever since.

A 3ft-wide bed is a challenge to a big estate car. I had to get one up to my daughter's flat in London, but the Coleman-Milne Windsor rose to the occasion. The interior of this almost 18ft long stretched Granada looks *like a village hall cleared for a* cricket club dance. The bed went in with masses of room to spare and the Windsor rode with regal dignity. There's nothing like an extra-long wheelbase to smother the bumps.

Coleman-Milne of Bolton specialises in cutting cars in half and welding them up again almost a yard longer than they were before.

Pop groups use its Windsor estates. Its Grosvenor and Dorchester limousines, also Granada-based, are favoured by funeral directors and by municipalities which would like to buy the mayor a Rolls-Royce but know the ratepayers wouldn't stand for it.

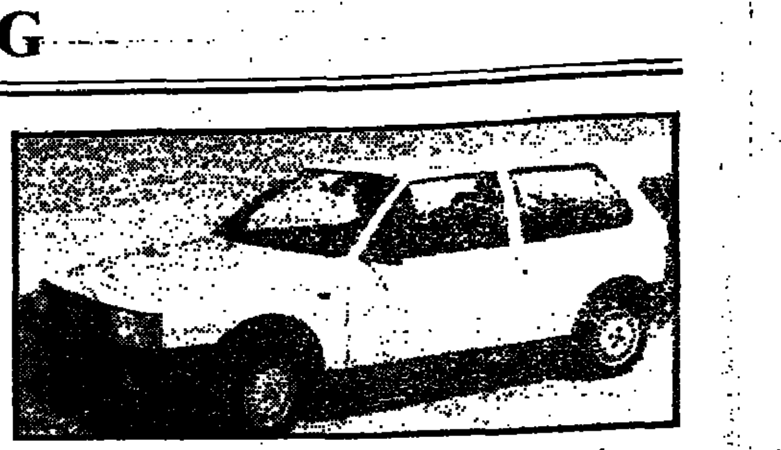
Apart from being 2ft 9 in longer than normal, the limousines also have raised roofs to increase headroom over the folding jump seats. Prices are from £20,000.

At the recent Fleet Car Show, Coleman-Milne and its Woodall Nicholson susbidiary displayed three new stretched cars. The X10D is a Jaguar Sovereign saloon with seven inches more rear legroom. It has no division between front and rear. "The owner," says Coleman-Milne, "does not look or feel out of place behind the wheel if a chauffeur is unavailable." Which is more than can be said of some traditional super-luxury limousines in which the driver is cramped up to make more space for those in the back.

The other two Coleman-Milne exhibits were the Sandringham, a 30in stretched Sierra estate with three forward-facing rows of seats, and the Warwick. This is a lengthened Montego saloon, seating six plus the driver. Prices range from £18,500 for the Sandringham estate to £28,500 for the X10D.

Even longer and dearer is the Jaguar Twenty Six, a 4.2-litre Jaguar lengthened by that amount and selling at £33,995. It is converted by Glenfrome, a Bristol coachbuilder, and sold by Guy Salmon, the Jaguar/Daimler specialist of Thames Ditton, Surrey. It is a full limousine.

The only one of these cars I have tried is the Granada-based Windsor. It performed perfectly adequately on its 2.8-litre V6 and automatic transmission. I wouldn't want to use one for commuting, but it was light and pleasant to drive. Parking was no problem, either. All you need is the space.



AT A GLANCE, it seems like any other Uno, the stub-tailed hatchback that is being belted out of Fiat plants at the rate of 2,450 per day. But look closely. The wheels are of light alloy, shod with ultra-low-profile Pirelli P6 tyres. The tailgate, with a built-in aerodynamic spoiler, is a plastics moulding. And the car sits lower on the ground.

Under the sharply sloping bonnet is a 1,301 cc engine, turbocharged to develop 105 bhp. No Uno has ever gone like this one. When I drove it in Brazil last week I couldn't check Fiat's claimed 200 km/h (125 mph) maximum but the acceleration through the gears and from 45 mph upward in top top was vivid. Fiat says the Uno Turbo goes from a standstill to 100 km/m (62 mph) in 8.3 seconds. That puts it among exalted company. It should show a clean pair of heels to a Ford XR3i and a Peugeot 205GTi—neither of which is turbocharged—and would be only marginally slower off the mark than Fiat's Abarth 130TC.

It is a considerable tribute to the soundness of the basic Uno design that little has had to be done to the running gear to cope with the higher performance. There is an anti-roll bar at the front, disc brakes all round (ventilated at the front) and stiffer dampers. The steering is slightly higher geared. The Uno gearbox has been replaced by the Ritmo's 5-speeder.

Brazil's roads are not of the best though the beaches around Rio are magnificent—like Brittany but with much hotter sun, and water that is seductive rather than bracing. The Uno Turbo felt very firm over the cracked concrete but it cornered flat when I pushed it hard up winding minor roads between the wild banana trees.

The Uno Turbo's engine is completely new; it is not just a bolt-on turbocharging job. Fuel injection is by Bosch; the ignition is electronic; and the turbocharger is water-cooled, just as it is in the Porsche 944 and Audi 200. An intercooler and oil radiator are standard.

Inside it is sporty, with a full array of excellent instruments. An electronic fascia is an optional extra. Fiat plans to sell 10,000 Turbos this year, 20,000 next, though Britain will take only 1,000 of them in 1985. It makes its debut here in July. What will it compete with? All the small turbo hatches like the Nissan Sunny, the Mitsubishi Colt and the soon-to-arrive Renault New 5. But also with the Peugeot 205 GTi, VW Golf GTi—and Fiat's own Strada Abarth 130TC and the baby Lancia Y10 with a turbo. The price? My guess is well under £7,000.

BOOKS

Doomed clan BY GODFREY HODGSON

The Kennedy Clan: Dynasty and Disaster 1848-1984
by John H. Davis. Sidgwick & Jackson. £15.00. 738 pages

John H. Davis is a first cousin of Jacqueline Kennedy Onassis, whose maiden name was Bouvier. The Bouviers, descended from a Frenchman who emigrated to the United States in 1815, were multimillionaires when P. J. Kennedy was a saloon-keeper on Noddles island in Boston harbor, and one of the themes of this book is the contrast between the styles of a rising and a declining house.

The author does not conceal his distaste, and indeed at times horror, for the ruthlessness and recklessness of the way the Kennedy family pursued money, fame, power and personal supremacy of every kind and at any price. And he claims, not altogether implausibly, that what President Kennedy was most notable for, the style of his administration, was something he owed largely to his wife.

It was his marriage, Davis writes, that gave Kennedy the image that helped him to replace the Eisenhower era with "the regal, reckless, short-lived, incandescent Kennedy-Bouvier moment in American history." And again, "essentially what survives from the Kennedy administration is its style and its charm, and that style was in the largest part the achievement of the President's wife."

Opinions differ about how reliable Mrs Kennedy's taste actually was. A colouring book, ostensibly for children, circulated in Washington DC shortly after her famous televised tour of the White House. "I am the White House," it said, "colour me cerise."

Some of the best writing in this book, and the quality of the writing is uneven, comes in the author's description of Mrs Kennedy's family background, and in particular of the family mansion at East Hampton, which sounds like a set for the 1950s Audrey Hepburn movie, *Sabrina Fair*.

Mrs Kennedy's father, a well-born but weak stockbroker known as "Black Jack" Bouvier, was a good-looking devil, and Davis reproduces a family snap that caught him in what The Tatler used to call a characteristic moment, holding hands with a remarkably pretty young woman at a horse show literally behind his wife's back.

Still, if the author has restored the balance by giving Mrs Kennedy and her family back some of the limelight from which they and everyone else were so relentlessly extruded by the Kennedys, this is by no means merely a gossipy family chronicle.

It is a carefully researched and highly readable account of the whole Kennedy story, from 1848, when Patrick Kennedy, cooper, left Dunganstown in County Wexford and emigrated to Boston, right up to 1984.

By that year, Senator Edward Kennedy was in self-inflicted eclipse, if celestial bodies can be said to be *felo de se*. Media interest in the family focused, not only on the memory of a musical comedy called *Camelot*, but on police investigation into yet another family tragedy, the death of Robert Kennedy's son David from an overdose of cocaine in a Palm Beach hotel.

Davis spares the Kennedys nothing in his painfully detailed account of their rise and fall. Knowing from personal experience how the family accepts idolatry as its due, and treats anything short of adulation as treason, I can well imagine how he is cast into outer darkness by the family and its retainers at Harvard and elsewhere.

Yet Davis tries hard and on the whole successfully to be fair. He points out that, if some of the Kennedys of the younger generation have been in trouble, many are talented and well-brought up young people, some of whom may perpetuate the family's tradition of self-aggrandisement through politics.

His ultimate judgment echoes the brave speech Edward Kennedy made at the Democratic convention in Madison Square Garden in 1980 which used as its peroration Rumpole's favourite quotation: "tho' much is taken, much abides."

Much, indeed! Davis has taken us again through the whole saga: how Joseph P. Kennedy made his fortune—as mortgage forecloser, bootlegger, and share speculator; how he used his money to promote first himself, and then—when it was clear that his behaviour as ambassador to Britain on the eve of the war ruled him out forever from Roosevelt's favour—his sons. He spares no detail of the social climbing, the manipulation of the press, the "win at any cost" philosophy that drove on the old man and his sons.

Davis believes that the assassination of President Kennedy and perhaps also that of his brother, Senator Robert Kennedy were mounted by the Mafia out of fear of the Kennedy brothers' determination to root out organised crime in America—a determination which Davis suggests had its origins in their father's conflicts with the Mob in his bootlegging days under Prohibition.

John F. Kennedy and Jacqueline Bouvier Kennedy on Polling day 1960

He argues—and he is by no means alone—that the CIA and the FBI helped to cover this up because they were afraid of the consequences once it were known that President Kennedy and his brother had been co-operating with major criminals such as Sam Giancana, the Mafia boss in Chicago, who helped get out the vote for Kennedy in 1960, and Carlos Marcello, godfather of the New Orleans Mob, in the attempts to assassinate Castro.

The fact that President Kennedy, while in the White House, was conducting a love affair with Sam Giancana's girl friend, Judith Campbell, may also have acted as a certain impediment to whole-hearted investigation.

This is not in the main a work of original research. Most of the unattractive facets of Joseph P. Kennedy were made known in Richard Whalen's biography, *The Founding Father*. The manipulative streak in Jack Kennedy and in his father was beautifully pinned down in Joan and Clay Blair's *The Search for JFK*. The Chappaquiddick cover-up has been pitilessly exposed, and Judith Campell has told all.

The links between the CIA and Mafia and the extent to which the Kennedy brothers were compromised in those intrigues were fully documented in three congressional investigations and well set out in Anthony Summers' *Conspiracy*.

Indeed, there is now no shortage of revisionist literature about many aspects of the Kennedy saga. But John H. Davis has brought it all together in one volume which would be enjoyable — were it not for the questions it raises about the vulnerability of the most powerful society in the world to the systematic application of hype, mythopoia and self-glorification.

Fiction

Film buffs BY ISABEL QUIGLY

Queenie
By Michael Korda. Collins, £9.95. 668 pages
The Juniper Tree
By Barbara Comyns. Methuen, £8.95. 187 pages
Barrister By and Large
By Charlotte Buckhaven. Michael Joseph, £8.95. 209 pages
The Fall of Kelvin Walker
By Alasdair Gray. Canongate Publishing, Edinburgh, £7.95. 144 pages

Queenie is Michael Korda's disappointing block-buster: disappointing because his amusing memoirs of the Korda family in its film-making heyday promised something better—wittier, neater.

Of course he knows his stuff. *Queenie* is obviously written by someone who knows the underside of showbiz, the film world in particular.

It is the story of a beautiful Anglo-Indian girl, who soared to the top in the world of films. It is another rags-to-riches tale indistinguishable from others of its kind. Queenie Kelley from Calcutta (Irish father, half-Indian mother) becomes Dawn Avalon early in a spectacular career, marrying, first, a British-naturalised Hungarian-born film producer who is knighted (as Sir Alex was), then an Italian prince of fabulous wealth and glamour.

Compared with recent block-busters, it's a lot better written than *Movie*, and wholesome compared with *Lace*. On the other hand it lacks the dotty charm of *Princess Daisy* and the deft ingenuity of some of Jeffrey Archer's books. No literary merit, but a certain period and sociological interest.

Now to some real novelists. *The Juniper Tree* is Barbara Comyns' first novel for 18 years and as welcome as spring. Here is a beautifully organised, well-written book that reads almost conversationally. Bella, the narrator, is a young woman scarred by her mother's harshness as by the car crash that damaged her face. She works in an antique shop in Twickenham, has an illegitimate small daughter whose father was black, and her story covers about five years.

The action involves the stalwarts of fiction, love and death, rejection and reconciliation, madness and harmony. Above all I was moved to a passionate sympathy with what happened: with Bella, with her few friends, her daughter, eventually her mother. Delicate, tough, quick-moving, it's a haunting book and, in its grasp of today's atmosphere and every age-group, an amazing achievement from someone born in 1909.

Charlotte Buckhaven's *Barrister By and Large* is in the tradition of Richard Gordon and James Herriott: a fictionalised account of real experience in a specialised world. The fun of such books is that they take the mystery out of the mysterious by showing just how meagre the experts' expertise may be. Greener than green in the higher reaches of the law, eager, obliging, naive and good-natured, Charlotte arrives at the Middle Temple for her year's pupillage in a hot Bulgarian-made black suit, clutching an aged wig in an easily mislaid wig-bag. In the cosy freemasonry of chambers, with their coterie language and eccentricity, she is instantly happy and fulfilled.

Anthony Burgess calls him "the first major Scottish writer since Walter Scott." Robert Nye "an original and talented writer plainly in his prime." William Boyd calls his stories "potent hybrids in a class of their own," the TLS says his style is "limpid and classically elegant" and the Irish Sunday Times calls him a "vainglorious lout." That's Alasdair Gray, whose short, rather Shavian tale is about a young Scot on the make who comes to London in the 1960s without qualifications or useful work experience, expecting to find a job at the very top. Well, these days there's always television. In no time the brash immigrant is interviewing Prime Ministers and other nobs.

Michael Korda: blockbusting novelist

And then—well, the title's a give-away. But the end is something of an artistic let-down as well, mainly because the book starts with such verve. In this story of a single-minded young Nietzschean there are some rather obscure lessons, particularly about happiness: and an idiosyncratic talent.

Saga of the Woolworth heiress BY GEORGE MALCOLM THOMSON

Poor Little Rich Girl: The Life and Legend of Barbara Hutton
by C. David Heymann. Hutchinson, £12.95. 390 pages

Sir, Madam, have you ever wakened from a terrible nightmare? You have been given an immense fortune, say forty million, pounds or dollars, it no longer matters which, on condition that you spend it all. An impossible task? Not so. It has been done. At the age of 21 Barbara Hutton became the owner of 42 million dollars. To get the present value multiply by fifteen? It was growing by two million a year. When she died there was 3,500 dollars in her bank account.

What had happened? Where had the money gone? To husbands, seven in all: princes, real and phoney: a Danish Count: a German Baron who was a nice fellow but, however, did not get to first base in the game of marriage. Barbara was not narrow-minded—how could she be when her cousin Jimmy Donahue was the most flamboyant gay in America? But to find her unobliging husband in bed with another gentleman was too much.

Then there was inevitably a film star, Cary Grant, and, of course, that well-known Dominican "diplomat" and Latin lover Portofino Rubirosa. Finally, a Vietnamese chemist whom she insisted was a prince.

The average rate for an incoming spouse was two million dollars: the compensation for those who had failed to stay the course was about a million. Then, of course, there were those who had reached the bed but failed to make the altar. Their emoluments varied but were substantial—estates, polo ponies, custom-built cars — all the customary rewards of the gilded gigolo.

It cannot be said that the social and intellectual level of the marriages moved much upwards or downwards with the years. She began by marrying Alexis Mdivani, one of several Georgian brothers who, after the Russian Revolution, opened a Georgian consulate in Paris which, among other political acts, is alleged to have supplied documentary evidence of their right to be princes. The marriage, which did not last long, cost Barbara two-and-a-quarter million dollars.

She moved on to a (genuine) Danish count, Count Reventlow who became in due course the father of her only child. But the whirligig had not stopped spinning there:

"You're too impetuous," an aunt told her.

"Maybe I haven't met the right man yet."

"Nonsense. You've already had too many husbands. You must be doing something wrong. Have you tried rotating your hips?"

But even this recipe did not work. Barbara moved on.

After reading about the financial details of Barbara's so-called love-life, it is easier to understand how she got rid of the fortune accumulated by her grandfather, founder of Woolworths.

But sex was not the only conduit through which the money flowed away. There were also doctors, to grapple with but hardly to cure, her addiction to drink and drugs. And, worst of all, in her opinion, there were the lawyers. After her death they presided over the final depletion of her fortune, the jewels, the table that had belonged to Madame de Pompadour, the parure of rubies and diamonds once worn by a Portuguese queen, and all the rest of the surviving heap of loot. "Lawyers are the dregs," she said to Cecil Beaton, "they only exhaust your money and your patience." It was a rare moment of vision.

The life of the Woolworth Heiress is a gloomy farce played out on a darkening stage. It begins with a too-plump, too-rich girl who thought money could buy anything: it ends with an emaciated woman in her sixties, unable (or unwilling) to eat, weighing eighty pounds, carried to her Rolls Royce from her bed on which she had lain motionless, waiting.

"It takes so damn long," she said to a visitor.

"What does?"

"Dying."

Even death could not be bought.

David Heymann tells the whole sad story of the self-destruction of a woman and the corruption of a small layer of society without any attempt at romanticism or fake pity. Not an edifying tale, but thoroughly researched and expertly told.

Wartime turning-points BY ZARA STEINER

The Turning Point: Roosevelt, Stalin, Churchill and Chiang Kai-Shek 1943, the Moscow, Cairo and Teheran Conferences
by Keith Sainsbury. Oxford, £17.50, 373 pages

At a time when so much is being written about Yalta it is exceedingly useful to be reminded that many of the issues decided at that fateful conference were foreshadowed by the Teheran discussions. In this competent monograph which covers in narrative form the Moscow, Cairo and Teheran meetings of 1943, Keith Sainsbury proves his contention that Teheran was the turning-point of the war.

It was at this first summit encounter between Roosevelt, Churchill and Stalin that the shifting balance of power was translated into the specific military and political arrangements which culminated in the Yalta agreements. The Americans had become the senior partner in the Anglo-American alliance. For the first time, Roosevelt disregarded Churchill's strategic arguments and fully supported his Chiefs of Staff.

The President insisted that "Overlord" be launched no later than June 1 1944 only one month later than the date agreed upon at Quebec. The continental invasion supported by "Anvil," a landing to be made in the South of France by forces diverted from Italy, ended Churchill's hopes for an Eastern Mediterranean strategy and a possible move from Italy through the so-called "Ljubljana gap" into the Balkans. The Americans would go no further than an arrangement to maintain sufficient forces in Italy to move north from Rome to Pisa and Rimini. American military superiority was translated into strategic supremacy.

These military decisions like those reached at Cairo with Chiang-Kai-Shek had important political consequences. In south east Europe the Soviet Union would be free to determine the future of all the Balkan states. Teheran was also a diplomatic turning-point. Roosevelt, con-

Stalin: cause for self-congratulation

vinced that Russia would be the dominant force in Europe at the war's end, was determined to establish a working partnership with Stalin. Dr Sainsbury rightly depicts Roosevelt as the supreme realist, unduly suspicious, however, about British imperial appetites and far too sanguine about Stalin's future intentions. The American-Soviet front at Teheran was created at British expense. Roosevelt purposely distanced himself from Churchill and courted Stalin. In so doing, he secured what he considered his main aims, a Four Power directorate that would keep the peace, Stalin's assent to the American accord with Chiang reached at Cairo, and a promise of future assistance in the Far Eastern war.

Stalin, too, had cause for self-congratulation. "Overlord" in June 1944 would shorten the war, to keep his Allies to that promised date was all important. The Russian leader had thwarted Churchill over Poland and the Balkans and kept rival armies away from his southern flank. He had good reason to believe that he could have his way in Eastern Europe and his price in the Far East.

Roosevelt's optimistic reading of Stalin's position raises questions which continue to baffle diplomatic historians. Dr Sainsbury at least underlines the consistency in the President's behaviour between Teheran and Yalta. Though he accepts the American case for a cross-channel invasion and the military arguments against C[illegible]chill's diversionary plans, D[illegible] Sainsbury is highly critical of Roosevelt's excessive deviousness, his over-warm pursuit of Soviet friendship, and, above all, the President's failure to give warning signals over [illegible]nd and the Balkans before [illegible] troops crossed the 1941 [illegible]rs. But this book is [illegible]d on British policy and [illegible] the published material has been supplemented by a good deal of archival research.

Mysterious manuscript from Cloud Nine BY RACHEL BILLINGTON

Novel with Cocaine
by M. Ageyev. Translated by Michael Henry Heim. Picador. £7.95 (paperback £2.95). 174 pages

Novel with Cocaine is the single known work by a Russian, possibly, though not certainly, called Ageyev who disappeared in the 1930s. He was last located in Istanbul from where this manuscript was sent to Paris. It was re-published there last year and comes to England for the first time. It is a unique piece of writing, superbly translated by Michael Henry Heim.

Cocaine enters the novel only in its final stages. It comes, like another and most menacing character, as the culmination of the protagonist's youthful experiences. Vadim is 16 in 1916 and his growing-up is done in a Moscow filled with the echoes of revolution. His character is seen in relation to three strands of life: home, school and women. In each area there is one person who predominates and brings out his attitudes. At home, it is his mother, a "pitiful" figure whose grey hair, wrinkles and threadbare humility causes him such frightful repulsion that he disowns her. The tenderness he cannot entirely eradicate leads him to greater and greater brutality.

Of his school-friends, the most important is Burkewitz who, spurred on by the ridicule of the class, rises from ignomy to scholastic triumph. To him, in a moment of need, Vadim shows some kind of love. But it is this same friend who, in the last pages of the book, becomes Comrade Burkewitz, representive of the new order who cannot (or will not) help Vadim, the cocaine addict.

Women first enter the novel as a source of disgusting sensual pleasure. Vadim himself is diseased, an illness which he displays proudly to his comrades as proof of his erotic superiority. However this youthful stance of cynicism and bravado is a torturing disability when he falls in love with the "deep blue-eyed" Sonya. For he finds he cannot love romantically and sensually at the same time. Only by despoiling her, does he feel physical desire. Her kisses "have too much effect on the heart to affect the body." Sonya, understanding this sends him a letter of dismissal.

Cocaine takes hold of him in the depression that follows. As he enters a drug-induced state of mind, Ageyev's style, previously extraordinarily varied and original, becomes flat and documentary. He also uses the present tense. It is an indication of a kind of death. "Reflections" follow this first experience, a gradual descent, leading to a final report from the hospital where he is brought, barely alive.

Novel with Cocaine is a short book but its pages are crammed with memorable incidents, characters and descriptions. Vadim's mother's chair looks like "a charred tree stump:" a class-mate, otherwise handsome, has the "glass eyes of a bird;" Sonya makes her first appearance in men's pyjamas. "The pyjama top collar was turned up around the head of a charming woman, whose backless, high-heeled red slippers flopped and scraped as she walked."

Words are used as if newly invented, reminding one that Ageyev was a contemporary of Zamyatin—recently reviewed on this page. "The city seemed to hang in the sky like a gigantic icon-light." Vadim thinks as he nears the end. "The frost was hard and dry. Everything felt ready to crack." The inanimate gives vigour and reality to the imagining of the mind.

Italian patriot BY DAVID PRYCE-JONES

Cavour
by Denis Mack Smith. Weidenfeld & Nicolson. £12.95. 292 pages

The kingdom of Piedmont, tucked away at the foot of the Alps, was one of the smaller cards in the game of 19th century politics. Nonetheless it was Piedmont that destroyed both the Bourbons in Naples and the temporal power of the Papacy, ended Austrian rule in Lombardy and then Venetia, finally affecting the balance of power in Europe. This was the achievement of Cavour, its prime minister until his untimely death in 1861.

Those who know Italian history through the books of G.M. Trevelyan imagine Cavour as a sort of Italian Mr Gladstone, full of high-minded ideals, more like marble than flesh and blood. To Trevelyan, the steps in the unification of Italy were somehow "progress," and so inevitable. Mr Mack Smith depicts a very different Cavour in this fresh study of him, a cynical realist, master of every political skill, principally the wholly unscrupulous and ruthless manipulation of men and issues. No sentimentalist, Mr Mack Smith is characteristically robust, and his *Cavour* is not only as readable as anything by Trevelyan but much more convincing.

The man who unified Italy was actually born French, in that Napoleon was ruling Piedmont at the time of his birth. Cavour's private letters are in French; his spoken and written Italian remained imperfect. He scarcely knew his own country, and never visited the south although he was quite prepared to invade it. His contempt for his Italian contemporaries (indeed for pretty well everyone except Sir Robert Peel and up to a point Louis Napoleon), had little or no limit. Though willing, he declared, to lay down his life for Victor Emmanuel, the king he served, he hoped never to have to see the monarch.

Like Bismarck, he could become incoherent with rage when thwarted. He kept mistresses, but loved nobody. Self-aggrandisement led him as a matter of course to act in advance on his own political decisions in order to enlarge his private fortune.

Cavour's bleak view of the human race seems to have come from his father, a careerist aristocrat at the head of the Piedmont secret police. The mob, Cavour believed, had to be tightly reined. Custom and discipline were invariably preferable to change and freedom. Of all his enemies, he loathed most deeply the republican Mazzini.

For most of his career, Cavour neither anticipated nor desired unification except perhaps as a distant goal. He perceived the active nationalist minority under Garibaldi as a dangerous revolutionary threat, as adventurers more likely to destroy than to create. Their successes in the field, in Sicily and then in Naples, forced his hand.

The fascinatingly devious relationship between the two men has been described in scholarly detail in Mr Mack Smith's *Cavour and Garibaldi 1860*, his first book, and now reprinted alongside the new work. A simple and honourable soldier, Garibaldi assumed that his movement must sweep all before it. Much of Cavour's misunderstanding and misrepresenting of Garibaldi was deliberate, for he judged public opinion to be far more conservative. What has come to look like shameless and selfish exploitation on his part of Garibaldi's victories in fact averted the longer-term prospects of factionalism and civil war. It is for this element of sound judgment that modern Italy can be grateful to Cavour, as Mr Mack Smith makes quite clear. Otherwise unification, as is the way with the outcome of history, was just luck.

Noble family BY A. L. ROWSE

The Earls of Derby, 1485-1985
by J. J. Bagley. Sidgwick & Jackson, £15.00. 258 pages

Family history may be said to provide the real thread of history: yet, where we have hundreds of biographies of individuals, we have only a score or two of good, readable family histories—of which this is one. I suppose the fact is understandable, for nothing like so many families could provide so rewarding a subject.

The Stanleys are certainly one: and, the present Earl of Derby—who has carried on the family tradition nobly and done so much for Lancashire and the north-west—has had the good idea of commemorating the quincentenary of the earldom with a history of it. With the second most ancient of earldoms on his back, one can appreciate the Victorian earl's refusal of a dukedom: he didn't want a few "new strawberry leaves."

That same earl, colleague of Disraeli and Gladstone, translator of Homer and "the Rupert of Debate," was the cleverest man of the family—odd man out, for he was really an intellectual, not much appreciated by Queen Victoria. He returned the compliment. On the popular excitement over her Golden Jubilee he commented tartly that he "had not yet managed to work himself into a state of enthusiastic gratitude to her for having reigned 50 years." One would have to be very grand and aristocratic, which he was, to take such a line.

When offered the crown of Greece, he would not even consider it. Disraeli as usual put his finger on the point:

"It is a dazzling adventure for the House of Stanley, but they are not an imaginative lot. I fancy they will prefer Knowsley to the Parthenon, and Lancashire to the Attic plains."

Dear Dizzy. I'll bet he wouldn't have refused the crown of Greece, if offered to him.

Here is a clue to the family history: cautious commonsense and independence of mind. A no-nonsense family, like the Cavendishes and Cecils—not like the Russells.

What a sensible man the Victorian Derby was! Against the Crimean War, against the Zulu war and intimidating China with a show of force; in favour of handing back the Transvaal to the Boers, and getting out of the Sudan. He would have shed a few colonies, where possible: "we have black men enough."

Similarly the under-estimated Derby of World War One was a man of sensible judgment. He supported Lloyd George as the man to win the war but after it he wanted to maintain the Versailles settlement, not to undermine it. He was quite right, as was his son, Oliver Stanley, who realised that Chamberlain's appeasement of Hitler was futile.

The Tudor period was that of the ascent of the family, from the battle of Bosworth, which they practically decided. The Civil War was well-nigh disastrous, with the execution of the Earl, loss of estates and the destruction of their vast house at Lathom. The loss of historic treasures there, pictures, manuscripts, art-objects must have been tremendous—historians, who are no aesthetes, never tell us about that.

The Stanleys of that time were ineluctably caught out, for once, in the conflict between King and Parliament—hitherto, and later, they managed a remarkable balancing act and saved their skins. Very sensible of them. It makes me sympathise with the 18th century Earl confronted by the Jacobite invasion of 1745: "What to do for the best I am much in doubt, and am only sure I would do the best if I knew it."

HOW TO SPEND IT

by Lucia van der Post

Dressing the expert way . . .

IT IS SPRING and that *moment* in the year when one's wardrobe looks least inviting. Winter's clothes look somehow used and all too familiar and yet it isn't quite the weather *for larking about* in sundresses and crisp cottons. Most women's reaction to this syndrome is to rush out and buy a new outfit—something, anything to give themselves and their wardrobe a lift.

But, according to those whose business is fashion, this is exactly the wrong way to solve the problem. It is the reason most of us end up with wardrobes full of clothes and not a thing to wear. What the professionals *advise is planned buying,* proper appraisals of what you need and what can be made to work with the clothes you already have. Haphazard buying, impulse purchases are what leads to a turquoise blouse that doesn't quite go with the long-line skirt that doesn't have a decent belt and shoes with the wrong height of heel for the clothes you have.

Instead of a new outfit you are probably much better off taking a serious look at your clothes, making proper lists of what you need to update the things already lurking in *the wardrobe.*

If you feel that you've never quite got things together, never found your own individual style, and that what you need is some professional help, then there are now more and more people who have set themselves up to do just that. There are shops run by women of confidence and flair, that offer an authority of style which, if you decide is compatible with your own, will turn out to be a source of sartorial *confidence to which you will* return time and time again.

And there is now a growing band of freelance fashion advisers who, for a fee, will come to your house, assess your wardrobe, help you sort the chaff from the wheat and set you on the road to a newer, more confident you.

First of all, let's look at one specialist shop—Wardrobe.

Janet Fitch in her favourite 'Wardrobe' outfit

● THE SHOP SPECIALIST

SUSIE FAUX, who owns and runs the two Wardrobe shops at 17, Chiltern Street and 3, Grosvenor Street in London's West End, believes firmly that fashion is a serious, professional business and can't understand why more people don't see it that way. "After all, if you're ill you go to a doctor, if your house needs attention you go to an architect, why shouldn't you seek professional help with your clothes?"

The philosophy behind Wardrobe was summed up cleverly in the first big advertisement she ran—"At Wardrobe, we think it's more extravagant to buy a £5 teeshirt you loathe than a cashmere sweater you *adore.*" it went. *She believes* fervently that a few really good clothes do more for anybody than a mass of bits and pieces.

She finds more and more women who have important jobs in industry and the city need help with their clothes. They have money and they want to look good but they are too busy being good at banking/law/accountancy to have had much time to suss out the shops or to find a personal style.

This is where Wardrobe comes in. *Either Susie Faux or one* eof her specially-trained assistants will help her build up a wardrobe geared to her lifestyle and her own face and figure. They take a great personal interest in their clients, filling in personal profile cards of each customer, listing what they have bought so that they know what could usefully be added.

They would rather a customer left with nothing than bought the wrong thing because as Susie puts it: "If she goes into a room looking wrong, we have lost all the other women in the room as potential customers." They hope the first time she comes to them she will go out in one outfit, preferably one that will work with the colours she has already got in her wardrobe, and from then on they will help her build around it so that nothing is ever wasted. "I have customers," says Susie, "who are still wearing clothes they bought here years ago."

She mainly sells clothes by the German designer Jil Sander as well as MaxMara and Georges Rech, and there is no doubt the prices take some getting used to—£200-£400 for a jacket is par for the course. Susie, though, insists her customers are not rich. "We are not catering for women so rich it does not matter—my customers cannot afford a mistake."

There is no doubt she inspires confidence in her customers, helping them to find *their own style and get their* own eye in. Janet Fitch, who is photographed right, in one of her favourite Wardrobe outfits, is a regular customer. "To begin with," *she admits,* "I had this huge resistance to the prices but eventually I bought a culotte suit which turned out to be wonderful and I realised I had got better value out of it than all the bits and pieces I used to buy.

"Gradually I found myself buying more and more from Wardrobe and less and less from other people. I like the fact that they know me and my taste and shopping now does not take too long. I like the clothes because I feel put together in them without it all looking too deliberate. They have a certain laid-back quality: they do not look obviously smart or expensive and look as right waiting with other mums outside the school as going to a smart lunch at the Caprice."

Susie Faux knows her clothes are expensive but insists that *most profesional women, if they* want to get or hold down good jobs, cannot afford not to dress well.

She is almost evangelical on the subject, claiming that to see a woman's confidence in herself almost visibly grow is what it is all about. "We get professional women in here who know that they have not got themselves together—we advise them not just on clothes, but on hair and make-up and when you see a fairly plain woman emerge as a very attractive personality it is immensely satisfying."

● HOME HELP

THERE used to be a splendid advertisement for Vogue magazine, which featured a young woman all wrapped up in brown canvas with the tag*line "Buy nothing until* you buy Vogue." A newer motto might be—buy nothing until you've called in a fashion adviser. These are women with personal style and confidence who will come to your house, go through your wardrobe, size up the old shoes, the crumpled T-shirts, the scarves and the rag-bag *of things that lurk in most* of our cupboards, and help the owner emerge looking chic and all of a piece.

If all that sounds too good to be true, it is amazing what a thoroughly professional, detached eye can do for even the most motley collection of unpromising-looking material.

I tried two of them out on my own rag-bag accumula*tion of clothes, some good* and expensive, some cheap and cheerful and I learned a great deal from both of them.

First of all, on a snowy, mid-February day came Ceril Campbell. Ceril dresses people professionally for films and TV commercials, it is her business to keep up with the fashion world, *she goes to all the fashion* shows, knows what's in and out. She offers a wide range of services—for a fee of £100 in London she will come and spend as long as it takes going through your wardrobe, helping you achieve a personal look, advising what to keep, what to throw out, how to give an outfit new life with a scarf, a piece of jewellery, a belt.

She has found in the past that it is the really rich who least like paying for her service—it is professional women who feel that £100 is well spent if it gives new life to the existing clothes and prevents them making expensive mistakes in future.

She soon homed in on the gaps in my wardrobe. Why did I have so many grey pairs of trousers, each doing almost the same job as the other? (Quite right, a big waste of money there.)

She was clearly fairly horrified (though she was most polite about it) by quite how many clothes I had and recommended some ruthless pruning. "Put everything that you will never wear again into boxes and I will give you addresses of where to sell them. If you can't bear to part with an item but aren't going to wear it this year, put it another box and stack it away to clear some space in the wardrobe." She perceived that most things were getting too crushed and that I needed to store things better—hangers all the same height would help ("buy them in packs at Sainsbury's in Gloucester Road," she told me); and I should get another shelf built in the wardrobe so that shirts could be folded flat.

One of my favourite cardigans, which had never looked quite right, she transformed by just getting me to wear it with a narrow matching belt. *My surfeit of* "greys" could be given a new lease of life by going shopping for a mustard and/or maroon shirt with a stand-up collar.

She left me with a shopping list of what my wardrobe needed (some brown boots, navy lace-up shoes, a navy 1920s style pleated skirt, a smart jacket and the mustard/maroon shirt). She'd shown me how to make a sweater look dressy for evening by adding a lace collar, how to cinch in a skirt at the waist and, above all, perhaps, given me confidence to start being bolder on my own. If I had wanted her to, she'd have tracked down the pieces I needed herself or accompanied me on a shopping expedition (though this service, of course, has to be paid for).

Next, when we were into spring, along came Shawna Moss. Shawna sent me a letter first, asking me to lay out all my accessories, no *matter* how old, all my belts, scarfs and jewellery on one side of the room, skirts, shirts, dresses and suits on the other. She came with a folder full of photographs showing this year's accesories and trends and a fist-full of addresses (like where to get clothes dyed, mended, where to buy jewellery, etc). She also came with what I called her "bag" of tricks"—a mass of scarves, jewellery and belts which she *proceeded to use to show me* how I could make something of some relatively dull outfits.

Pictures by Roger Taylor

Shawna Moss with her "bag of tricks"

A silk navy blue trouser-suit which had never quite worked was made to look quite stunning with a fuschia silk scarf tied low on the hips, some fuschia at the neck and some startling earrings. She advised me to buy some baby-pink to perk up my navy things, worked out ways of using a Jasper Conran jacket that, though lovely in itself, I'd never found a role for (belted at the waist, worn over a long cream skirt, it looked wonderful). She believes in working away until you are satisfied with an outfit, then *writing it* down on a piece of paper, including all the accessories and pinning it up on the inside of your wardrobe—this means you don't have to start from scratch each time.

She likes to show people how to buy a few good things that will last and last and then how to re-cycle them *with plenty of accessories.* She cheerfully mixes what she calls the "cheap and cheerful" with the better things.

Shawna Moss charges £50 for a five hour wardrobe and make-up consultation (as she puts it, "one mistake nowadays can easily cost you that amount") and like Ceril Campbell will also accompany you on shopping expeditions at a charge of £15 for a three-hour shopping expedition.

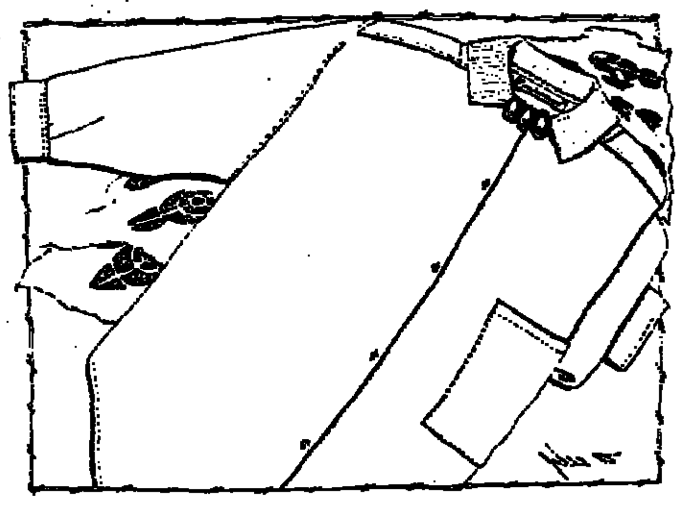
Both girls seemed to me to be amazing value for money—each of them has *style* and confidence, were able to advise me without making me feel in any way small or inadequate: on the contrary I *was left feeling much* more confident about how to cope in future.

Ceril Campbell can be reached by telephone on 01-731 5989.

Shawna Moss is at 14 Kempson Road, London SW6. (Telephone 01-736 3686).

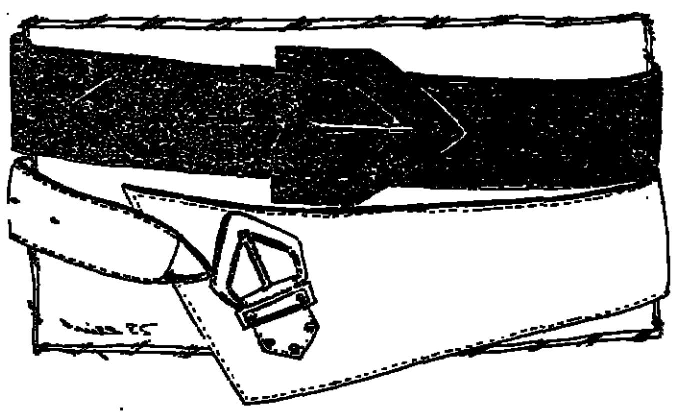
NEXT WEEK:
Men's fashion

. . . and here's how



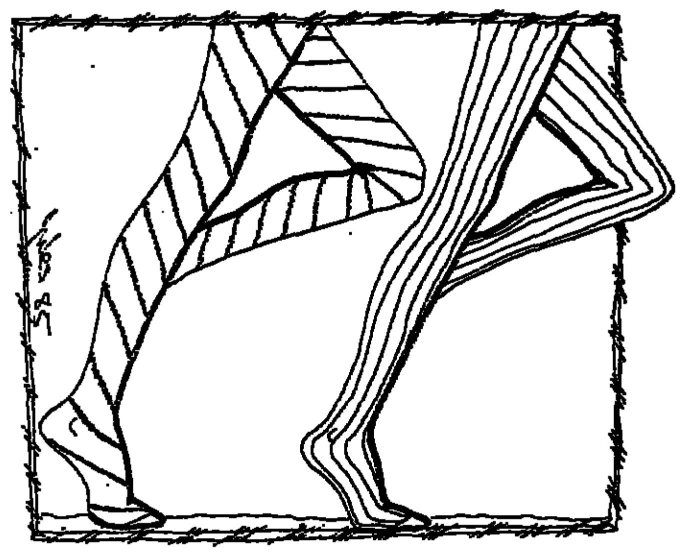
NOBODY with the smallest interest in fashion can have failed to observe that The Shirt has staged a big come-back this spring. Many of you *may* have one or two in your wardrobe which you can pull out and up-date by adding a wide, low-slung belt. If you are looking for a 1985 shirt, every decent fashion chain sells them from Ralph Lauren's impeccable, fine cotton version at £105 to the remarkable good value one for £14.99 at The Warehouse shops. Sketched here is a roomy version, with good big armholes (a point to watch out for) from Fenwick of Bond Street, London W1. By Pamplemousse, £12.95.

●

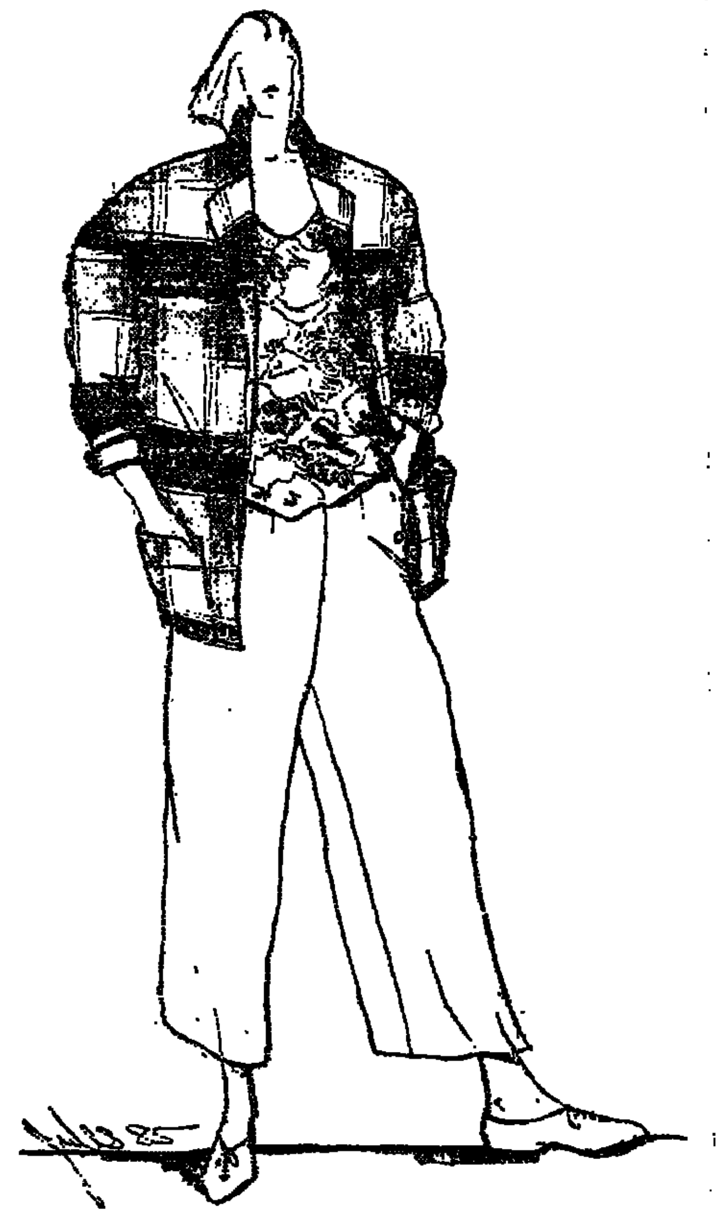


THERE IS a big interest in belts this season — look for ones with interesting buckles, often set off-centre. There are also lots of curvy belts which look good worn slung low over the hips as opposed to round the waist. Any good fashion store should have a wide selection of belts but here are two to give you the idea from Fenwick of Bond Street. Both are by Otto Glanz (a good name to look out for). The uniformly wide belt with the large buckle is £19.95, the curving one with the angled buckle is £21.95.

●



TIGHTS are important — Jaeger has some marvellous *muted colours this spring,* including some hard to find shades such as the nearly nude, colour called Moonblow (the nearest to the naked leg I've seen), and a good, creamy colour that isn't too yellow called Rice. Made in very fine denier (18) they are £1.35 a pair. Look out, too, for Christian Dior's striped tights (sketched, above right) which at £2.95 look very new. For a crazier leg Mary Quant has some brightly-coloured zig-zag stripes (sketched here left) in bright colours also at £2.95 a pair.



LINEN is still very much a high-fashion fabric and nowhere does it come cheap. Bargain of the year, though, must be the linen collection now to be found at just five of Marks & Spencer's leading stores. In authentically crumpled linen, there is a co-ordinating collection of vests, jackets, wide-legged trousers, and full skirts.

The linen jacket, in a combination of pale pink, grey and sand colour woven check, is £45. This can be worn with plain greyish linen trousers or flowered ones (£35) or with a plain, floral or checked skirt (£35). The linen vest (floral or plain cream or greyish-green) is £16.99. If this collection appeals to you waste no time in buying it—it is expected to be the sell-out of the season and you can find it at Marks & Spencer Marble Arch, the Pantheon branch in Oxford Street, in Newcastle, Manchester and Argyle Street, Glasgow.

Drawings by Julia Findlay

Abbado conducts Mahler, 'live' and on record

A magnificent Seventh...

BY MAX LOPPERT

Claudio Abbado and the London Symphony Orchestra migrated on Thursday to the Festival Hall for the latest instalment of the Mahler-Vienna Festival. They produced there an outstandingly fine concert, which had as its greatest triumph—and it may well come to be reckoned one of the whole enterprise—a cogent, powerfully sustained, and most beautifully played performance of the Mahler Seventh Symphony, possibly the hardest work in the entire Mahler canon to bring off successfully.

Before it, however, the programme had offered Webern and Boulez, thus demonstrating another difference between this and most journeyman Mahler concerts (the Seventh being normally considered sufficient meat on its own). Abbado touched off the Webern Five Pieces, Op. 10, with superfine delicacy and precision: not a note misplaced, not a pause snatched or too long-drawn, and a sense of light and air between the spaces that is the mark of truly convinced (and convincing) Webern performance. Boulez's *Notations*, his recently orchestrated re-working of four early and long-lost piano pieces, suck the listener into their imaginative world with thrilling ease. The LSO, playing difficult music as well as it did this, makes one wonder all over again how and why its standards can fluctuate so alarmingly from concert to concert.

The perennial problem of the Seventh remains that of holding the line of argument firm from first movement, with its disturbing emotional complexities and proto-Weill harmonic tang, through three exquisitely wrought middle genre-movements, to the end of the noisily celebratory finale (*Meistersinger*-like in intention but not in achievement). For Abbado, the problem appears not to exist. The individual character and sound-palette of each movement were defined with masterly flexibility (the rounding-off of the *Andante amoroso* constituting some of the most perfectly poised and balanced Mahler ensemble I can recall in this hall), yet the whole work seemed to hang together as well as it can or ever will. "Thematic" festivals such as this require no special pleading when concerts of this calibre are their product.

Claudio Abbado

...but manners are not enough

BY ANDREW CLEMENTS

On compact disc Mahler is evidently unstoppable. Bruckner is still far from adequately represented, but already duplications of the Mahler symphonies abound; now the least popular, least recorded of the canon, the Seventh, makes it on to CD for the second time. After Bernard Haitink's eminently sane and refined version with the Concertgebouw for Philips comes Abbado's equally phlegmatic account with the Chicago Symphony, the latest instalment of his complete cycle for Deutsche Grammophon.

Perhaps it is just a bit too phlegmatic. The Seventh is the problem Mahler symphony, not only because the finale requires the most astute handling if it is not to seem irredeemably banal; the earlier movements sometimes demand an approach quite different from anything else he wrote. To my mind, no conductor on record has ever realised their unworldly modernism as astutely as Boulez used to do in the concert hall.) Abbado is quite conventional in that respect, though characteristically he takes enormous care with the placing of every texture.

The surreal elements, epecially in the pair of *Nachtmusik*, suffer as a consequence. While I would generally avoid any approach to conducting Mahler which suggested egocentricity, I'm not sure there is not a case for something larger than life here; Abbado's good manners do not fit the bill any more than Haitink's self-effacement. Both of them do too good a job at integrating the symphony within the accepted world of Mahlerian expression.

Finely graded textures are also one of the hallmarks of Giulini's *Das Lied von der Erde*: he obtains marvellous playing from the Berlin orchestra and on compact disc the recording is equally lucid. But I have never thought of Giulini as a natural Mahler conductor, though he has recorded at least the First Symphony before. This performance contains some memorable things, but it does not consistently burn with the intensity one expects in this of all works.

Intensity is certainly in abundance in the final *Abschied*; for many listeners, that might well sway the balance in favour of this version. Brigitte Fassbaender is a highly persuasive soloist here, cool-toned yet phrasing with intelligence and demonstrating an acute sense of what she is actually singing about, while Giulini treats the orchestral interpolations as miniature tone poems, etched in vivid detail without any necessity for superficial rhetoric. The earlier contralto songs go almost equally well, though without ever quite the same degree of vocal and instrumental poise.

Problems come with the contributions of the tenor, Francisco Araiza. Perhaps there has never been an entirely successful version of these movements since Wunderlich recorded them for Klemperer; the reconciling of the vocal demands of a *Heldentenor* with something much nearer *lieder* singing is hard to achieve. Araiza's lack of involvement with the words of his songs is in pointed contrast to Fassbaender, and he does not offer much heroic tone as compensation. Giulini, too, sounds happier with the score's more confidential moments, usually assigned to the contralto, and handles some of the extroversion of the earlier numbers almost self-consciously. Connoisseurs of this work will need to hear Fassbaender; in this of all Mahler scores duplications are almost essential.

The new *Klagende Lied* promises to have the CD field to itself for some time to come. There is at present only one version of this product of Mahler's early adulthood available on LP, Haitink's 1974 recording, and that follows the composer's own wishes and omits the first part of the cantata, *Waldmärchen*. Like Boulez, Rattle restores this music, in doing so making the young composer's debt to Wagner that much more obvious, with echoes of the Ring lying side by side with music that could easily have come from the Resurrection Symphony.

Rattle is an accomplished Mahlerian; the same could not be said of all the singers he uses here. There is nothing wrong with the conception of any part of this work, but sometimes it loses its focus. Despite the presence of Helena Döse there is something inescapably English about the enterprise, as if everyone apart from the conductor would have preferred to be singing *Elijah* or *Gerontius*. A great deal of the orchestral playing is first rate; once or twice its vividness goes, even though Rattle keeps the rhythms sharply crimped and With more involved soloists the the textures bright and brittle. overall result might have been very different.

Mahler: Symphony No. 7
Chicago Symphony / Abbado. Deutsche Grammophon 413 773 (two LPs, cassettes, compact discs)

Mahler: Das Lied von der Erde
Fassbaender, Araiza, Berlin Philharmonic/Giulini. Deutsche Grammophon 413 459 (LP, cassette, compact disc

Mahler: Das klagende Lied
Döse, Hodgson, Tear, Rae, CBSO Chorus, City of Birmingham Symphony/Rattle. EMI EL270136 (LP, cassette) CDC 47089-2 (compact disc)

Britten Composers' competition winner

Simon Andrews, 26-year-old composer who lives in Oxford, has won the 1985 Benjamin Britten Composers' competition which is held every two years. Highly commended were Philip Cashian (21) from London, and Peter Scabourne (24) from York.

Simon Andrews will receive £750 and his work, *Shadow at Morning*, will be given its first performance on June 20 during the Aldeburgh Festival.

The Lear behind the laughter

BY JOY MELVILLE

IN 1831, when Edward Lear was 19, he drew a self-portrait of himself, which he considered amazingly like. "Add only—that both my knees are fractured from being run over, which has made them very peculiarly crooked—that my neck is singularly long, a most elephantine nose—and a disposition to tumble here and there—owing to being half blind, and you may very well imagine my *tout ensemble*."

Lear was an epileptic, and suffered from asthma. But he had the gift of being able to make people laugh, he was happy to be thought "three parts crazy and wholly affectionate." A new exhibition of his work, which opens this week, "Edward Lear, 1812-1888" (Royal Academy, April 20-July 14, shows him alo as a workaholic: Nonsense drawings and books, and his vast but lesser known work as a landscape painter and natural history draughtsman to the last 40 years of his life he painted more than 7,000 watercolours alone.

The second youngest of 21 children, Lear was brought up by the eldest, Ann. She taught him to paint birds and flowers, and at 15 he started to draw "for bread and cheese," though at that stage he admitted he "only did uncommon queer shop-sketches," and "morbid disease drawings for hospitals." A year or so later, he turned to drawing only birds.

Echoing Flaubert, he became fascinated with the parrot. He obtained permission to draw parrots in the new Zoological Gardens, spending so much time there that visitors to the parrot house began to watch the artist as much as the parrots. He, in turn, made little acerbic sketches of watchers (on show in this exhibition). By the time Lear was 18 he had completed, to critical acclaim, the first two folios of his book, *Illustrations of the Family of Psittacidae, or Parrots.*

After its success (the preliminary drawings are also exhibited) Lear was asked to stay at Lord Stanley's home outside Liverpool, where there was a private menagerie. Some of the watercolours Lear painted there are on display: so are his first illustrations to the Nonsense rhymes. While entertaining Stanley's young children with absurd drawings, Lear had come across a book of limericks. It inspired him to write and illustrate his own "nonsenses," such as:

There was a young person of Kew.
Whose virtues and vices were few;
But with blameable haste,
she devoured some hot paste,
Which destroyed that young person of Kew.

Poor health forced Lear to leave England. In 1837, aged 25, he set off with a sketchbook to travel through Europe. He settled in Rome, which he thought an artists' paradise. His only regret was his bachelor state. As he wrote to a friend: "wish to goodness I could get a wife! You have no idea how sick I am of living alone. Please make a memorandum of any lady under 28 who has a little money—can live in Rome—and knows how to cut pencils and make puddings."

In 1841, Lear published his first travel book, *Views in Rome and its Environs*, which his biographer, Vivien Noakes, calls "a superb book of fresh, carefully observed drawings, rhythmically composed and confidently handled." His second, published in 1846 and also exhibited, was *Illustrated Excursions in Italy*. Queen Victoria was full of admiration and asked Lear to give her lessons. ("He was very pleased with my drawing and very encouraging about it," she wrote). The same year, Year published his first illustrated book of nonesense.

After three years, Lear returned to England. But he hated England's "loathsome climate."

He wrote to Emily Tennyson: "Stay here I *won't*, to be demoralised by years of mud and fog and gnats and rheumatism and small beer and stupid boors and coalfires and choleramorbusses and income taxes and calvinists and steel forks and humbugs and midnight atmospheres all the year round —I have had enough of it and forthwith I am growing moustaches in sign of going elsewhere." And off he went, to Egypt and Palestine.

Despite up to 20 epileptic attacks a month, Lear was an intrepid traveller, painter, and reporter. The exhibition includes his *Journals of a Landscape Painter in Greece and Albania, In Southern Calabria*, and *In Corsica*. But as the years passed, fashion changed: his nonsense books were liked, but his paintings were no longer sought after. He felt this neglect keenly.

In 1871, tired of his peripatetic life, Lear moved into a villa at St Remo.

His exhibited diaries and letters from then on show him being progressively more feeble. Lear himself acknowledged this:

"He only said, 'I'm very weary. The rheumatiz he said. He said, it's awful dull and dreary—I think I'll go to bed."

He died peacefully in 1888.

Lear, drawn in 1840 by Wilhelm Marstrand

Battleships, firing right on the target

There couldn't have been a better reintroduction to British radio after three weeks in the U.S., where radio is virtually confined to cars, and sounds like it, than Radio 4s Monday Play, *Battleships*, by Harry Barton. The author has had two other plays broadcast on radio. The first won a Giles Cooper Award. The second was the piece I chose as the best play I had heard last year. *Battleships* maintains the standard.

The setting is the British Fleet in harbour at Alexandria in the summer of 1940. John Sandwich, a young paymaster lieutenant-commander (the author cares for details: no romantic stuff about "a young naval officer"), meets a French girl, Eugénie, at the Sporting Club and they fall in love. She has a brother serving in the French battleship *Dordogne*, lying alongside Sandwich's ship in the harbour, and another serving in Oran. She works at the French consulate-general and shares a flat with an Italian girl, Marianina.

Then the war. The Italians declare war on the Allies, the French conclude an armistice with the Germans. So Marianina is an enemy alien, and the French ships are potential enemy vessels. The main story covers the events that come between John and his hastily-contrived marriage with Eugénie. You could call it a romance, and the romantic episodes are most ably written, one especially that is backed by the jazz-based sounds of evening at the club.

But these events are military and political, certainly not romantic. There are Italian air raids; more dangerous, there are the negotiations between the British admiral and the French, for John is bilingual, and is attached to the admiral to translate. As if this were not enough for a 75-minute play, we get an extra sub-plot about the paymaster - commander's arrears with his cash account.

The details of naval life are lovingly re-created [illegible]arry Barton is a retired [illegible]ain, RN), and the successive political events are married to the romantic events with uncommon skill, in dialogue that is witty and tender. Robert Cooper directed, and there were fine performances by Stephen Boxer and Cecile Paoli as John and Eugénie, Charles Gray as the admiral and Michael Loney as an Australian navy officer. The[illegible] is a repeat tomorrow afternoon. It should not be missed.

Lawrence, Mablethorpe and Me was a pleasant Tuesday afternoon programme on Radio 4, about D. H. Lawrence's youthful holiday at that Lincolnshire seaside resort. "Me" was Jenny Hursell, who had also spent holidays in Mablethorpe and was anxious to follow up the Lawrence connection.

Lawrence writes affectionately of the place in *Sons and Lovers*, but differs from Mis Hursell in one way. She said "There's something about the Lincolnshire coast that makes me enjoy coming back." but

RADIO

B. A. YOUNG

Lawrence, apart from a possible visit the following year, never did come back. Perhaps there's not enough in Mablethorpe for a *Down Your Way*, but Mis Hursell's account rates a *vaut le detour*, if only for the courteous friendliness of all the Mablethorpe people we hear.

Of all the writers with whom you would expect to hear Wystan Auden compared, Dornford Yates is about the least likely. Yet an interesting talk on Radio 3 on Wednesday contrasted *The Orators* with the shockers not only of Dornford Yates, but of John Buchan and Sapper. *The Orators* happens to be in verse, but it is a thriller of a kind—a kind, as it happens fundamentally unlike Buchan or Sapper's or Yate's, which are commonly based in England and reserve foreigners for the villains, whereas Auden wrote from the standpoint of a widely travelled man able to accept foreigners simply as people.

In *To Leave the World a Cleaner Place*, Simon Rees introduced Cecil Day-Lewis (in his alternative persona as thriller-writer) mainly, I think, so that he might point out that his detective, Nigel Strangeways, was partly a portrait of Auden.

TODAY'S TELEVISION AND RADIO

BBC 1

† Indicates programme in black and white

8.30 am Roobarb. 8.35 Battle of the Planets. 9.00 Saturday Superstore. 12.12 pm Weather News. 12.15 Grandstand, including 12.50 News Summary; Football Focus; Snooker; Swimming; Racing from Ascot; Ice Hockey and at 4.40 Final Score.

5.05 News. 5.15 Regional Variations. 5.20 The Adventures of Wonder Woman. 6.05 Terry and June. 6.35 "The New Maverick." 8.05 The Kenny Everett Television Show. 8.35 Dynasty. 9.25 Bergerac. 10.20 News and Sport. 10.35 Match of the Day. 11.25 Late Late Horror: "Dracula Has Risen from the Grave."

REGIONAL VARIATIONS:

Wales—5.15-5.20 pm Sports News Wales.

Scotland—5.15-5.20 pm Scoreboard. 10.35-11.25 Sportscene.

Northern Ireland—4.55-5.05 pm Northern Ireland News. 5.15-5.20 Northern Ireland News. 12.55-1.00 am Northern Ireland News Headlines.

England—5.15-5.20 pm London—Sport; South-west—Spotlight Sport and News; all other English regions—Sport and Regional News.

BBC 2

†3.10 pm Saturday Cinema (1): "Stolen Assignment." 4.10 Saturday Cinema (2): "The Prince of Central Park" (TV film). 5.25 World Snooker. 6.35 The Day the Universe Changed. 7.25 News and Sport. 7.40 Rugby Special. 8.35 Snooker. 9.25 "Jephtha." (10.30-10.40 Interval). 11.50-1.05 am Snooker.

LONDON

6.15 am TV-am Breakfast Programme. 9.25 LWT Information. 9.30 Strawberry Shortcake 10.00 No 73. 11.20 The Fall Guy. 12.15 World of Sport: 12.20 Canoeing; 12.45 News; 12.50 On the Ball; 1.15 Golf; 1.25 Racing from Salisbury; 1.40 Rallying; 1.55 Racing from Salisbury; 2.10 Wrestling; 2.40 Athletics; 3.30 Racing from Salisbury; 3.45 Half-time Round-up; 3.55 Boxing; 4.45 Results.

5.00 News and Sport. 5.05 Blockbusters. 5.35 Robin of Sherwood. 6.40 The Grumbleweeds Radio Show. 7.10 T. J. Hooker. 8.05 The Price is Right. 9.05 News and Sport. 9.20 Celebrity. 11.15 London News Headlines followed by Auf Wiedersehen, Pet. 12.15 am Magnum. 1.10 Night Thoughts.

CHANNEL 4

1.05 pm Black and White and Read All Over. 1.30 Enthusiasts. †2.00 "She." 3.45 "Dr Cyclops." 5.05 Brookside Omnibus. 6.00 The Max Headroom Show. 6.30 No Problem! 7.00 News Summary followed by 7 Days and Union World. 8.00 Tales From a Long Room. 8.15 Winston Churchill—The Wilderness Years. 9.15 Clive James meets Katharine Hepburn. 10.15 The WCT Tennis Finals. 11.15 Golf—the U.S. Masters.

S4C WALES

1.30 pm Worldwise. 3.30 Repercussions. †4.35 The Americans At War. 6.30 The Avengers. 7.30 Newyddion. 7.45 Sion a Sian. 8.15 Portreadau. 8.45 Canu panillion. 9.15 Y maes chwarae. 10.35 The WCT Tennis Finals. 11.15 Golf.

ANGLIA

IBA Regions as London except at the following times:

9.25 am Cartoon Time. 9.35 Captain Scarlet and the Mysterons. 11.20 Chips. 5.05 pm Happy Days. 12.15 am At the End of the Day.

BORDER

9.25 am Cartoon Time. 9.35 Scooby Doo. 11.20 Chips. 5.05 pm Cartoon Alphabet.

CENTRAL

9.25 am Cartoon Time. 9.35 Scooby Doo. 11.20 Chips. 5.05 pm The Comedians. 7.10 The Price Is Right. 8.10 T. J. Hooker. 12.15 am Shelley.

CHANNEL

9.25 am Cartoon. 9.35 Captain Scarlet and the Mysterons. 9.57 Puffin's Pla(i)ce. 11.25 Tarzan. 12.14 pm Channel Islands Weather Summary. 5.05 Puffin's Pla(i)ce. 5.10 The Smurfs. 7.10 The Price is Right. 8.10 T. J. Hooker.

GRAMPIAN

9.25 am Cartoon Time. 9.35 Scooby Doo. 11.20 Chips. 5.05 pm Cartoon Alphabet. 12.15 am Reflections.

GRANADA

9.25 am Cartoon. 9.35 Captain Scarlet and the Mysterons. 11.20 Chips. 5.05 pm Diff'rent Strokes. 7.10 The Price is Right. 8.10 T. J. Hooker. 12.15 am The Saturday Film: "Gargoyles."

HTV

9.25 am The Wonderful Stories of Professor Kitzel. 9.30 Captain Scarlet and the Mysterons. †11.20 Fireball XL5. 11.50 Just Our Luck. 12.13 pm HTV News. 5.05 Cartoon Alphabet. 12.15 am Antibes Jazz Festival.

SCOTTISH

9.25 am Cartoon Time. 9.35 Scooby Doo. 11.20 Chips. 5.05 pm Banji Takes a Dive at Manneland. 12.15 am Late Call.

TSW

9.25 am Cartoon. 9.30 Scooby, Scrappy and Yabba Doo. 9.57 Gus Honeybun's Magic Birthdays. 11.20 Freeze Frame. 12.12 pm TSW Regional News. 5.05 Newsport. 5.10 The Smurfs. 7.10 The Price is Right. 8.10 T. J. Hooker. 12.15 am Postscript.

TVS

9.25 am Porky Pig. 9.35 Scooby Doo. 11.20 The Green Hornet. 11.45 Birdman and Galaxy Trio. 12.12 pm TVS Weather. 12.15 am Company.

TYNE TEES

9.25 am Morning Glory. 9.30 Scooby Doo. 9.55 Young Lookaround. 5.05 pm The Smurfs. 7.10 The Price is Right. 8.10 T. J. Hooker. 12.15 am Post's Corner.

ULSTER

9.25 am Cartoon. 9.35 Scooby Doo. 11.20 Fireball XL5. 11.45 The Smurfs. 12.43 pm Lunchtime News. 4.55 Ulster Sports Results. 5.03 Ulster News. 5.05 Diff'rent Strokes. 7.10 The Price is Right. 8.10 T. J. Hooker. 9.18 Ulster News. 12.10 am News At Bedtime.

YORKSHIRE

9.25 am Regional Weather Forecast followed by Cartoon Time. 9.35 Scooby Doo 11.20 The Adventurer. 11.50 Joanie Loves Chachi. 5.05 pm Cartoon Alphabet. 7.10 The Price is Right. 8.10 T. J. Hooker. 12.15 am That's Hollywood.

BBC RADIO 2

(S)=Stereo on VHF

8.05 am David Jacobs (S). 10.00 Sounds of the 60s (S). 11.00 Album Time (S). 1.00 pm The News Huddlines. 1.30 Sport On 2 including Football Review; Racing from Salisbury; Boxing; FA Cup Football; Snooker; Golf and Sports Report at 5.00. 6.00 Folk On 2. 7.00 Jump! 7.30 Gala Concert Hall (S). 9.30 Big Band Special (S). 10.02 Sports Desk. 10.05 Steve Jones (S). 12.05 am Sports Desk; Night Owls (S). 1.00 Steve Madden (S). 3.00-4.00 Wally Whyton (S).

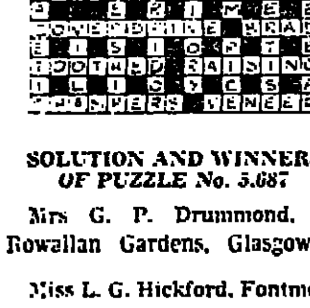
BBC RADIO 3

7.00 am News. 7.05 Aubade (S). 9.00 News. 9.05 Record Review (S). 10.15 Stereo Release (S). 11.25 BBC Welsh Symphony Orchestra (S). (11.55 Interval Reading). 1.00 pm News. 1.05 Beethoven, chamber music (S). 2.00 Handel: "L'allegro, il Penseroso ed il Moderato" (S). 4.30 20th-Century Piano Music (S). 5.00 Jazz Record Requests (S). 5.45 Critics' Forum. 6.35 Music for the Iron Voice (S). 7.05 Paragon Ensemble (S). 7.55 La Petite Bande (S). 8.30 The Objectives of Arms Control. 9.15 Honegger and Sauguet (S). 10.10 Park Lane Sextet (S). 11.00 Peter Schreier sings Schumann (S). 11.40 News. 11.45-3.30 am Russian Orthodox Easter Vigil from Al Saints' Russian Orthodox Church, Ennismore Gardens, London. (S).

BBC RADIO 4

7.00 am News. 7.10 Today's Papers. 7.15 On Your Farm. 7.45 In Perspective. 7.50 Down to Earth. 7.55 Weather; Travel. 8.00 News. 8.10 Today's Papers. 8.15 Sport On 4. 8.45 Breakaway. 9.50 News Stand. 10.05 Talking Politics 10.30 Pick of the Week (S). 11.30 From Our Own Correspondent (S). 12.00 News; Money Box. 12.27 pm Nineteen Ninety-Four (S). 12.55 Weather. 1.00 News. 1.10 Any Questions? from Bradworthy, North Devon. 1.55 Shipping Forecast. 2.00 News; The Afternoon Play (S). 3.00 News; Instant Sunshine . . . (S). 3.30 "Where to Light a Candle is to Say a Prayer." 4.15 Enterprise. 4.45 In Search of the Platypus. 5.00 Wildlife. 5.25 Week Ending (S). 5.00 News; Sports Round-up. 6.25 Desert Island Discs (S). 7.05 Stop the Week with Robert Robinson (S). 7.45 Baker's Dozen (S). 8.30 Saturday-Night Theatre (S). 9.58 Weather. 10.00 News. 10.15 Evening Service (S). 10.30 Soundings. 11.00 Come On You Redal (S). 11.30 The Bodgers (S). 12.00-12.15 am News.

SOLUTION TO PUZZLE No. 5,691



SOLUTION AND WINNERS OF PUZZLE No. 5,687

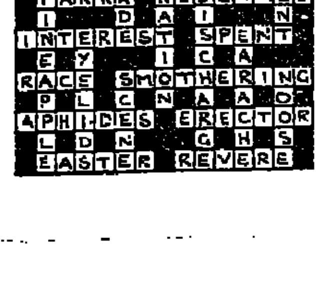
Mrs G. P. Drummond, 24 Rowallan Gardens, Glasgow.

Miss L. G. Hickford, Fontmell, Elm Park Road, Pinner, Middlesex.

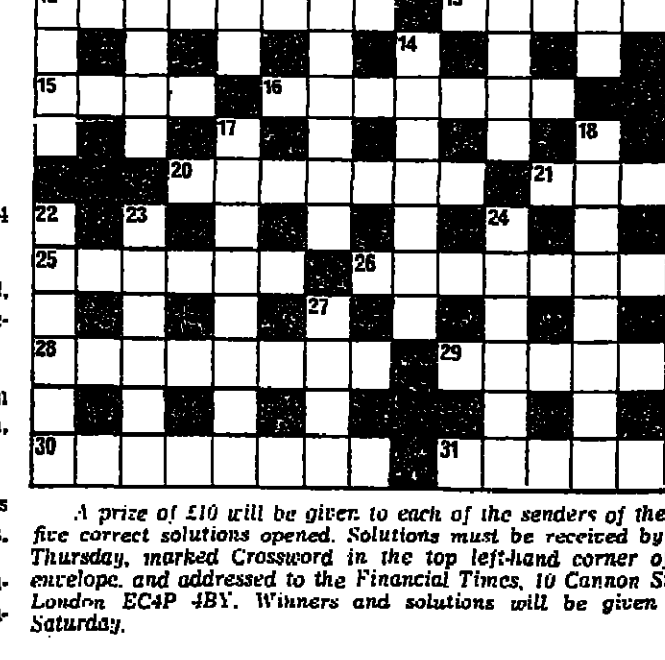
Mr E. A. Barber, 5 William Paston Road, North Walsham, Norfolk.

Mr P. Stevens, 38 Mymms Drive, Brookmans Park, Herts.

Mr John Crombie, Glendarroch, Gynack Road, Kingussie, Inverness-shire.



F.T. CROSSWORD PUZZLE No. 5,692



A prize of £10 will be given to each of the senders of the first five correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10 Cannon Street, London EC4P 4BY. Winners and solutions will be given next Saturday.

Name ....

Address ....

....

....

Each across solution contains an animal, which is ignored in the subordinate part of the clue.

ACROSS

1 Melancholy return of plays (6)
4 Assertive, it may be, in a Scot (8)
9 Commercial on ship (6)
10 Food for tea at U.S. picnic (8)
12 Piece of news for English money? (8)
13 Soldiers free (6)
15 Day without a wench (4)
16 Heather to house engine (7)
20 Ardent love on page 1? (7)
21 Hot water container (4)
25 Shillings and pence divided out (6)
26 Orientation in Grammar School (8)
28 Slim return on lots of money? (8)
29 Bird, funny one (6)
30 Job for Nov. 10? (8)
31 A model of charm (6)

DOWN

1 Daddy. OBE? Over my ——! (4, 4)
2 Fit popular in Alexandria at start of year (8)
3 A vice? Yes! (6)
5 Topless lace-paper saturated in fat? (4)
6 Thin lining of sahib's lady's sound intelligence? (8)
7 Regions of propaganda? (6)
8 Sort of board, important if big (6)
11 Marshal's follower to sit it out (7)
14 Singular garment, mistake for flower? (7)
17 Brave the elevator? It should improve looks (4-4)
18 Gloucester's in Northants, where pussycat killed and was killed (8)
19 Tree only too familiar? (8)
22 Sci-Fi writer as one, with doctor opposed (6)
23 Cooking aid for C and A girl (6)
24 It's rum, maybe, but it's obvious (6)
27 A French note spells ruin (4)

CHESS SOLUTIONS

Solution to Position No 563
1...P-Q6 ch; 2 K-R1, Q-B7! 3 QxQP (3 R-KN1, QxR ch), BxP! 4 PxB, QxR ch; 5 QxQ, R-QR1 and White resigned as R-R8 follows.

Solution to Problem No 563
1 K-R4 (threat 2 Q-R5), R-K4; 2 N-Q6, or if R-K7; 2 QxP, or if RxN; 2 Q-Q5, or if R-Q5; 2 N-K3, or if N-N5; 2 QxN, or if N-R6; 2 QxN.

Janet Marsh on the William Morris legacy

Updated News from Nowhere

AMONG THE prized decorative works of the past, the most ephemeral are wallpapers and fabrics. Wall hangings have generally survived only where off-cuts were left forgotten in an attic, or some long-dead paper-hanger was too lazy to strip old paper off the wall before redecorating. Good fabrics properly cared for have a better expectation though even here moth, dust, light, wars and—worst of all the combined enemies — fashion do their worst.

A charming coment on the tyrannies of fashion comes in a film that has just opened in London, *A Very Moral Night*. An old lady from the country marvels at the pretty modes of the young belles of a brothel: "When I was young," she says, "there wasn't such a thing as *fashion*. Clothes lasted us for years—a lifetime sometimes." This in turn recalls the experience of a friend in East Anglia, whose curtains still remain serviceable and even smart after 130 years: they were an investment by his grandfather who bought everything on the impeccable principle, "I am a poor man, so I can only afford to buy the best."

It was this kind of best, no doubt—durability as much in wear as in aesthetic quality—that was the aim of William Morris and the Victorian and later designers stirred by his example. Their success on both counts is amply evidenced by an unusual exhibition of more than 60 examples of "Furnishing Fabrics, 1850-1920" at Haslam and Whiteways, 105 Kensington Church Street. (It continues until the end of next week.)

Morris, inevitably, dominates. As well as the pioneer, he was the most prolific designer of fabrics and the most energetic manufacturer. The firm of Morris and Co. founded in 1861, continued in business until the Second World War, by which time the vagaries of fashion and escalating production costs had left them unable to compete with the more commercial industry.

Morris, however, had left his indelible impress on concepts and standards of design—an influence still felt everywhere in the world. Linda Parry's definitive 1983 monograph on *William Morris Textiles* records specimens of Morris's work that are prized in public collections from Adelaide to Leningrad. Ms Parry also renews the sense of wonder at the range and energy of this stout, scruffy Victorian with his battered felt hat and unkempt whiskers.

Insatiable scholarship was allied in Morris with unerring and uncompromising taste. A breathtaking gift for design went with a great appetite for practical activity. Setting up his weaving factory at Merton Abbey, he drove himself so hard at manual work that he could hardly hold a pen. His collaborators recalled that when he was experimenting with dyes for his stuffs his hands were horribly hued for weeks on end.

The industrial revolution saw its climax and apogee in the Great Exhibition of 1851. Tradition has it that the 17-year-old Morris refused to enter the Crystal Palace from revulsion at the style and standards represented there. Reacting against the debased and mechanical designs of the High Victorian era, Morris was just in time to retrieve and preserve some remnants of earlier traditions. Thus, he brought to his factory old superannuated weavers from Spitalfields, painstakingly reconstructed the ancient mysteries of vegetable dyes, and imported a weaver from Lyons, whom he affectionately called "Froggy."

"The vegetable dyes which are principally used," said the catalogue of Morris and Company, "give to these fabrics a quality of pure colouring quite different from the muddy-looking hues which are vulgarly known as 'art shades,' and quite as far removed from the usual manufacturers' dyes."

Morris, happily, was not a romantic purist in the way of Ruskin, with his conservation of old cottage industries in the Isle of Man and Cumberland, or of more recent hand-weavers with their treadle looms and restricted geometric patterns. Morris slightly regretted, but did not spurn the use of sophisticated Jacquard weaving and of steam power; and collaborated with commercial manufacturers. This made possible the great range and thrilling opulence demonstrated in the current exhibition, which gives the small Kensington gallery the air of some oriental regal tent.

The Morris exhibits are in the majority but there are rarer pieces by other great designers of the period. A length of fabric in a characteristic design by Dr Christopher Dresser, as bright as new, was the first item to be sold from the exhibition: the lucky buyer had queued an entire day before the doors opened to be sure of getting it. A pair of curtains and a hanging by Bruce Talbert were clearly intended to complement the designer's furniture, with its sophisticated reinterpretations of ecclesiastical Gothic.

From the later Arts and Crafts period there are four examples of fabrics by C. F. Voysey, including a hanging in woven wool that in itself rates as an individual work of art.


William Morris: Uncompromising taste

It is still occasionally possible, given a sharp eye and good luck, to find specimens of fine craft fabrics unrecognised in country sale rooms. Buying in London can represent a considerable investment. Prices in the Haslam and Whiteway exhibition range from £60 for an anonymous *art nouveau* table cover to £2,750 for an embroidered silk hanging by Alexander Fisher. A pair of Talbert silk curtains is £1,650; and a three-yard length of Morris silk in "Oak" pattern is £1,800.

Such prices do not seem so high when viewed in relation to the impossibility of recreating such meticulous work, the continuing life expectancy of good fabrics (given proper care—which does not preclude use) and the original cost.

A hundred years ago, Morris's most expensive commercial design, "Peacock," woven in five colours, sold for 25s a yard, 6 ft wide—a considerable sum, considering that it was more than the average weekly wage of a working man. The most expensive fabric Morris ever made, "Granada" (1884) cost a prohibitive £10 a yard. Even the cheap prints, at 10s or so, were probably even further beyond the pocket of the man in the street than they are today, now that they are collectors' items.

Edmund Penning-Rowsell samples 1984 wines

Not entirely doom and disaster

THE INITIAL reaction to the latest European vintage is usually exaggerated. It is either reported as better than it turns out to be or a great deal worse. Within France, the results in Bordeaux, perhaps because it is the largest *appellation contrôlée* area often claim the greatest public attention and are assumed to be similar elsewhere, particularly in Burgundy and the Rhône.

When it became known last summer that there had been a spectacular failure in Bordeaux of the Merlot vines to set the flowers (*couture*) and to swell the pip-like grapes (*millerandage*), the 1984 vintage was prematurely damned, as the 1980 vintage was before the picking began. Early last autumn Burgundy was written off too, while Alsace was thought to be threatened with disaster.

What is certain about the 1984 in Europe is that it was much smaller than the 1983 and usually below average. The wet, cold late spring and a far less fine, hot summer than we enjoyed in Britain, did their damage. There were poor weather conditions too in at least the early part of the vintage. The reduction in quantities was spectacular in some areas.

In Bordeaux only 1.93m hl of appellation red wine was made, compared with 3.19m hl the year before; Champagne produced 728,000 casks (a traditional though now largely mythical measure) as against 1,094,000 and in Germany the crop was just under 8m hl rather than 13m hl in 1983. In France the total AC crop fell from 17.2m hl to 14m hl.

The result in Germany was unfortunate as demand for white wines, especially German white wines, has greatly increased in the past year or two. Nor was the quality good except among those wines that were picked late, well after the wet September. The grapes did not generally ripen fully, except for some of the new crossings, such as Ortega and Reichensteiner, specially designed for early ripening. Nothing much above Qualitätswein was produced.

Yet the merchants who relied on Liebfraumilch and the like had to have the wines, so prices rose 30 per cent or more, which may cool the demand for these fairly uninteresting wines: and for Piesporter Michelsberg which is now the "in" name among inexpensive Moselles, rather than Bernkastel.

In Italy, that other source of inexpensive wine, the crop was reduced almost everywhere, and the quality was generally poor, especially in the Chianti area. But owing to frequent overproduction there should be no shortage of Italian wine.

In France the 1984s are much more variable than many have thought. Thanks to delayed picking, some very acceptable wine was made in Alsace, though nowhere approaching the 1983s, as may be said of most regions. In the Rhône there was a fair-size crop and with careful picking and selection—and perhaps a little quite legal infusion of 1983s — some good wine was made.

The 1984 white Rhônes are said to be good. Also some good wines were made in the Loire. Indeed in the sweet wine district of Coteaux du Layon and Quarts de Chaume growers claim to have the best wine since the celebrated 1976. The Sancerres have been described as "a good average" and the Pouilly Fumés on the other side of the river as "classic," which means dry, but with a reduced yield. The red Loires can only be called light, and are destined for early consumption.

At the Hospices de Beaune auction last November, I thought the red wines very tannic and often green, but was assured that they were not excessively tannic; and now there are reports of some light but fruity wines which, if bottled early, will make attractive wine.

The Beaujolais 1984 has turned out better than expected, and some say it is more typical than the rather over-sized 1983s. This may depend on personal taste, and while 1983 *crus* are available — *Moulin-à-Vent*, Fleurie, Juliénas, etc.—I would prefer to buy these. The Chalonnais reds—Rully, Givry and Mercurey—are light too.

In the Côte d'Or the white wines are well-balanced, and good, but not up to the excellent 1983s. In Chablis, however, the 1984s were less successful, and the situation was aggravated by damaging frosts in January. *Prices for even basic Chablis have shot up.* Price, indeed, is the basic consideration when buying 1984 burgundies, particularly the highly demanded whites. At the time of the Hospices de Beaune sale, white wine prices were 40 per cent up and the reds 19 per cent higher than in the previous year. This did not only apply to the Hospices' own wines. Further, whatever the quality of this year's vintage this winter's frost damage will keep it down to a small vintage. So prices will rise again. It will be sensible to buy what 1983s that one can find, afford and keep; and then look at the white '84s.

Frost damage has occurred in Bordeaux, and the 1985 vintage there is not expected to be large. Much will depend on the *flowering due in June*. But early cries of doom over the 1984s were premature. Not many have yet been seen by British wine merchants, but one leading London merchant found some good ones in the Médoc, including Ducru-Beaucaillou, Pichon-Lalande, Brane-Cantenac and Lynch-Bages, but others were tannic and green. The most reliable estates made the best wine. There seems little prospect of successful St Emilions and Pomerols, in view of the lack of the normally predominant Merlot.

Peter Sichel of Palmer and Angludet in his new annual *Vintage and Market Report* writes: "In 1984 the grapes were both healthy and ripe, but they rain. The potential was therefore light wines with character, perhaps of particular interest because it's made almost entirely from Cabernet . . . Those who are ruthless in their selection will produce a very limited quantity of elegant, well-balanced wine with sufficient body, good colour and well defined character that are of real interest and quality."

Wider consideration of the 1984 clarets must wait until they have settled down after the *égalisage* or *assemblage*. They are unlikely to make very charming wines but, like some of the 1974s and 1977s, will be fair drinking. Again, much will depend on their opening prices. Already the basic generic Bordeaux Rouge and Bordeaux Supérieur that generally account for about half the total red AC crop are around 50 per cent higher than a year ago. But then they have been underpriced for years.

Higher up the scale, even those growers who have made handsome profits for the past three years are also likely to feel that on top of the effects of inflation the small 1984 crop was very costly to make, because the overheads—probably including the number of pickers engaged—remained the same. Careful selection of the *grand vin* bearing the chateau's label had to be more severe than usual.

Yet, after three good vintages —and five out of six — some encouragement is necessary for claret drinkers to buy what is merely a moderate vintage. Peter Sichel suggests that the first-growths should come down to 150 francs a bottle (compared with 170 francs last year) and the top seconds and thirds to 60 to 65 francs (70 to 90 francs). Similar suggestions in the past have met with scant response, but then there was much less of a backlog of good vintages already invested in. We shall probably know more after the vine flowering in June.

Arthur Hellyer sees an old problem recur

Molehills become mountains

ALL COUNTRY gardeners have to learn to live with moles. There are too many of them in the fields around to be excluded altogether and, since they do a great deal of good as well as harm and are rather engaging creatures, it is not difficult to put up with them in moderation.

But when the damage suddenly erupts to epidemic proportions, as it has done in my Sussex garden these past few weeks, something has to be done about it. Lawns are covered with scores of mole hills, not confined, as normal, to just two or three favoured areas but spread all over the place. The excavated soil is not only very unsightly but, if not promptly removed, it soon kills the grass buried beneath and it makes mowing almost impossible.

The shallow tunnels that connect the molehills soon collapse and so the lawn surface becomes uneven. In flower beds and vegetable plots moles are less of a nuisance but even here the hills can smother small plants and the collapsing tunnels can engulf seedlings.

But why has this excess of damage so suddenly occured? At first I thought the moles must have multiplied enormously. Mole experts assure me that this is unlikely. Moles are slow breeders and the huge increase in excavation does not indicate more of them but simply that they are working overtime.

Why? Apparently because the cold, long drawn out winter has driven earthworms, the mole's favourite food, much deeper underground and so they are having to dig much longer, deeper tunnels to find enough for their needs.

A mole must eat its own weight in worms every 24 hours and that has been quite a task since January. The mole can make up to some extent with other things, mainly leatherjackets, soil caterpillars and slugs, and that is why sensible gardeners regard them as friends as well as foes.

Moles get no plus points for eating worms which are the best aerators and surface feeders of the soil, but they can have every leatherjacket, cutworm and slug with my thanks. I had a plague of daddy-long-legs, last autumn, which indicated that there had been hordes of leatherjackets in the garden since the one is the adult form of the other. That may have attracted some extra moles to enjoy the feast and add to the havoc when the leatherjackets had gone and the worms had dived for shelter. What is certain is that the tunnelling and the build up of mole hills must now be checked.

The old gardeners used strychnine inserted into worms which they placed in the tunnels as bait. I have never used it, mainly because I consider it too dangerous to handle, but this year the option has gone, since some objectors have invoked the 1911 Animal Protection Act to stop it.

Various smoke bombs or fuses are available. They resemble fireworks and, when ignited and pushed into a molehill or tunnel, fill the whole system of excavations with dense sulphur dioxide or carbon disulphide smoke. I have found it necessary to use at least half a dozen of these at a time, distributing them more or less in a circle around the worst infested area so that the moles are attacked from all sides at once. Even so I have never found a dead mole afterwards. But all activity stops for a time and the moles presumably withdraw until the soil ceases to smell of sulphur.

An alternative is a chemical called phostoxin, manufactured by Beyer Products and distributed in Britain by Rentokill. These white pellets are put in the mole tunnels and produce phosphine gas. I am told the results are unpredictable, best in heavy moist soil, worst on those that are light and porous. It is highly poisonous (Schedule 1), and is not available for general sale but I have decided

to get a professional mole killer to try it in my garden to quell this year's epidemic.

He warns me it may be weeks before he can come. Meanwhile I must rake and sweep. One small bonus is that mole hills make excellent soil for seed and potting composts.

A traditional method of destroying moles is to trap with spring-loaded steel traps set across the tunnels. I have tried this with little success but I have not been very persistent as I find it repulsive.

Moles have an acute sense of smell and most professional mole trappers wear gloves when handling the traps. But at least this is a positive way of dealing with moles which leaves one in doubt as to whether it has succeeded or failed.

I am often told that the caper spurge, an elegant weed, is so obnoxious to moles that they will go nowhere near it. But in one of my gardens it spreads so fast that I have to pull it out by the barrowload yet the moles are happily mining all around it in search of their daily bellyfull of worms.

Another remedy I have heard a lot about but have never seen used is to attach a hose pipe to the car exhaust, push the other end into a mole tunnel, start the engine and leave it running to fill the whole labyrinth with poisonous carbon monoxide. The practical difficulties have always deterred me. How does one drive one's car on to the lawn, where does one find hose pipe wide enough to push over the exhaust pipe, how does one know where the gas has got to and what kind of effect does all that back pressure have on one's car engine?

I don't know the answers to any of these questions and will stick to smoke bombs for the normal mild degree of control and employ a professional for the kind of emergency I face this year.

Wisden is with us again: Alan Forrest reports

Rabbits in a bouncer stew

AS OUR nostrils twitch at the first smell of summer—green grass and linseed oil—the great Yellow Book drops on our laps. Wisden comes but once a year, bringing a pre-season controversy. This year its editor, John Woodcock is getting all worked up about the bouncer.

Now the bouncer has been with us a long time. To put the uninitiated right, a bouncer is a short ball delivered by a fast bowler, sometimes at between 80 and 100 mph, coming at the batsman high enough to concentrate his mind and lots of other vulnerable parts of his body.

It has always been a legitimate shot in a fast bowler's armoury. It is meant to intimidate. Let us not be mealy-mouthed—it is meant to hit the batsman if he doesn't (a) get out of the way; (b) run for cover; (c) try and hook it only to be caught out on the boundary. The great Australian Dennis Lillee once admitted that his bouncers were "aimed to hit the batsman with the object of making him wonder whether he was wise to go on batting." So what is Mr Woodcock on about?

He chooses a particular incident to reinforce his argument. Last year in the Oval Test between England and the West Indies, a rabbit batsman, Pat Pocock, was sent out as a "night watchman" for England —which means he was expected to defend his wicket until close of play until we could get down to the nitty gritty of hitting runs the next day.

The West Indies bowler, Marshall, kept "bouncing" him —strictly against gentlemanly cricket traditions that you don't "bounce" inferior batsmen. "It was a woeful piece of cricket, entirely lacking in chivalry," Woodcock says.

An old England player, a batsman who gave up first-class cricket 15 years ago, said: "I would have thought John Woodcock would have realised by now that cricket isn't a chivalrous game. In my time I've faced as many as four bouncers in an over, although they weren't very good ones."

Maybe those great West Indian bowlers have turned the bouncer into something more vicious than it was ever meant to be. But I'm not even sure about this. On the game Woodcock chooses for his argument, one would have thought that a man who goes out as a "night watchman" must expect the worst.

The new Wisden is, as always, a splendid publication. What worries me more than bouncing is the pitiful state of English bowling. As Wisden says: "The archetypal English bowler is now a medium-pacer with a long run. He is frankly a trundler."

Wisden goes to the heart of the trouble — the growth of limited-over cricket that dominates the game financially. "Unless we are very careful, the one-day international will drive out the Test match, even in India, as inexorably as the grey squirrel drove out the red."

But on to the new season, with Australia here and a battle for the Ashes. I expect a lot of bouncers, in spite of Mr Woodcock, from that controversial figure Geoff Lawson. And what would the game be without them?

Recall the story of Fred Trueman going out to bat at Headingly. The bowler was a young cub quickie. The first ball he sent to Fred was a bouncer and the great man was thunderstruck. Ah well, he thought as the blood pressure went down, it must have been an accident. The next ball came, the last of the over, and another bouncer. Trueman walked down the wicket and spoke to the young man. "Hey, lad! Are tha tired of life?"

Wisden Cricketers Almanack, published April 18, £11.95; paperback £9.95

Trevor Bailey on today's FA Cup semi-finals

Little Luton could laugh last

SEMI-FINALS of the FA Cup seldom are memorable as, with so much at stake—Wembley and a passport to Europe as well as the cash and glory—fear of losing tends to suffocate skill, creativity and imagination. But there is a chance that both today's games could prove exceptions.

They feature three of the most accomplished teams in the land: Everton, already almost assured of the league championship and also looking probable finalists in the European Cup-Winners Cup; Liverpool, still the most feared club in European football; and Manchester United who, despite having a 14-match unbeaten run ended rather strangely this week by Sheffield Wednesday, are capable of beating anybody.

The fourth semi-finalists, and sole representatives from the south, are Luton, whose victory last Monday at Stoke, lifted them just out of the First division relegation zone, where they have been for months. On the three occasions I have seen them, it was hard to understand what they were doing there, because they played attractive and effective football. But after an indifferent start to the season, Luton were plagued by serious injuries and, without sufficient cover, lost confidence.

Manager David Pleat now has solved these problems, partly by making some wise purchases such as Steve Foster, who has brought stability to the back four, and Nick Harford, a big asset up front.

The most difficult result to predict is at Goodison Park, where Liverpool meet Manchester United. A draw looks the logical outcome today, but I feel Liverpool will be the eventual winners because of their experience, especially in Europe—where they look certain to reach another European Cup final. Unless United score quickly—never easy against the Merseyside machine—they could become desperate and lose cohesion.

In complete contrast, the Everton-Luton semi-final looks so much of a foregone conclusion it was not even included on pools coupons. Howard Kendall, destined surely to be manager of the year, an outstanding team, with skill, exceptional resolution and, most important of all, an outstanding defence — Everton have not conceded a single goal in seven European matches. It is hard to imagine little Luton winning.

Odd things do happen in semi-finals, though, and I have a hunch that they might spring a major surprise, possibly through Nwajiobi who has the ability to create scoring opportunities from what any defence would consider safe situations.

Antony Thorncroft evaluates Oriental carpets

Market recovers from revolution

ORIENTAL RUGS and carpets have an excellent opportunity next week to prove to the world that they have finally shaken off the deleterious effect of the Iranian Revolution, and the economic recession in the west, and are once again a stable, balanced, and appreciating sector of the art market.

Prices may not be much higher than they were a decade ago but they are certainly a great improvement on, say, 1980. The autumn sales at Sotheby's and Christie's were reassuring and both auction houses are optimistic about their sales on Wednesday and Thursday respectively. Indeed, Christie's reckons this to be its best auction of rugs and carpets for five years.

The overthrow of the Shah destroyed production in the major supplier of fine rugs and carpets and removed many of the buyers: the leading workships in Iran were closed and the market was further weakened as those Iranians who managed to escape with some possessions released rugs and carpets at low prices. Today, Iran is exporting again in an attempt to raise cash but the quality is not up to the former standard. In the main the salerooms concentrate on older rugs and carpets and have now developed a *modus vivendi* which is aloof from changes in Iran.

The Americans have become keen buyers, especially the West Coast rich. Gulf Arabs are also active, usually dealing through agents and now listening to the advice of experts rather than going for the gaudy. There are still many European collectors, and, at the lower price levels, private buyers are re-appearing. There are sectors that look cheap — the medium - quality Turkish, and classic rugs and carpets of the 18th century whose condition forbids their use on floors—but in the main prices are on average 50 per cent above those of five years ago.

The highest price of the week should be paid at Christie's for a large Isfahan Serafian carpet produced early this century. It is very much to the Iranian taste and might be bought by an exiled family on the West Coast or go to the Gulf. Its estimate is £60,000-£80,000, a figure arrived at by its large size: it measures 17 ft 4 ins x 12 ft.

The strongest sector among the Iranian carpets is for those produced in north-west Iran, in Heriz and Isfahan. An antique Heriz carpet carries an estimate of £18,000-£25,000 and may well be sought after by the booming American home decorator market: it will go nicely with the equally popular oak furniture. Two years ago Christie's would have placed an estimate of £10,000-£15,000 on this carpet. Now, encouraged by its October auction—its most successful ever —estimates have been raised in line with the prices achieved then. Also from Heriz is a very rare double sided silk rug, measuring 5 ft 8 ins by 3 ft 8 ins, and with a top forecast of £35,000. Dating from the early 19th century there is a different pattern on each side.

Sotheby's sale is routine after the excitements of its October auction when it set a record for a rug—£198,000 paid for a 17 century Polonaise which had belonged to King Umberto II of Italy. (The record for a carpet is £230,000.) The high price for the Polonaise (a second made £176,000) has tempted out another, which Sotheby's hopes to sell in October.

Of interest at the Sotheby's auction are some French carpets which are currently fashionable in the U.S. A large Savonnerie carpet carries a top estimate of £12,000. Both salerooms have a few Chinese carpets which have held their price well. Among carpets from other areas, tribal rugs are much in demand to decorate American appartments; Caucasians have stayed popular, especially with the Germans; and there is general agreement that Turkish carpets, outside the top quality (which remains expensive) seem under-priced.

Rugs and carpets remain a tricky market but prices in the saleroom are invariably below those charged by dealers and those asked in the one-day auctions which have sprung up throughout the country which slip one or two top quality carpets among dozens of cheap Pakistani imports. At one level the pricing of a carpet is very rule of thumb—at the moment a good modern carpet is valued at around £1,000 a sq metre. But for antique carpets, and those with intricate patterns, different criteria come into play and the advice of an expert is essential.

FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY
Telegrams: Finantimo, London PS4. Telex: 8954871
Telephone: 01-248 8000

Saturday April 13 1985

Not our end of the boat

A CELEBRATED David Low cartoon of the 1930s showed a collection of top-hatted statesmen huddled at one end of a rowing boat, and gazing with detachment at some frantic figures struggling to plug a *huge, spouting leak in the stern.* "Thank goodness," ran the caption "that it isn't at our end of the boat." There is a temptation to take much the same attitude to the various threatening symptoms now disfiguring the picture of world trade and finance.

Banking troubles in Ohio? Lucky we don't bank there. Rescheduling troubles for Brazil? Well, at least our banks have made prudent provisions. A U.S. slowdown? Well, the Pacific countries got most of the benefit of the boom, and they're the ones who will suffer. Rising American protectionism? That's all aimed at Japan, surely.

Problems aplenty

It is not that we are complacent, of course. We know that we have plenty of problems of our own in Europe, notably unemployment, and if we ever forgot, there is Mr Malcolm Baldrige, the U.S. Trade Secretary, to remind us; and what with that, and European enlargement, and—for Britain—the rundown in North Sea oil, *we have really got our hands full.*

So in spite of all these calls for major policy changes from the Americans, from the Third World, and from international officials of all kinds, we think we will sit this one out. After all, when we were asking for a little co-operation from the Americans not long ago, to restrain the rise of the dollar, an American official cut the whole discussion short by saying, as he walked out of the meeting: "You look after your exchange rates, and we'll look after ours."

This is a caricature, of course, like Low's; but it is not a total distortion. Governments are elected to solve national problems, not the problems of the world, and the kind of illogic demonstrated by the American official (and that is a true story, not a caricature) is endemic. *Interdependence,* which means making concessions to other people's interests, tends to be expressed in demands, not offers.

Interdependence is now a fact, though: that is the result of 40 years of liberal trade, leading to national specialisation, and *of more than a decade* of financial free-for-all. We cannot isolate ourselves from the trade or the financial troubles of the rest of the world. If the U.S. economy does turn down sharply, as the markets now fear, the exporters of Asia will compete all the more fiercely *for such markets as are not* turning down: the export-led growth which we in Europe are beginning to celebrate—notably in Germany and the UK—cannot continue if the world market for imports is sick. Our banks cannot isolate themselves from the troubles of American banks: they are linked through *financial markets, apart from* the fact that a growing number of U.S. banks are foreign-owned.

Equally, we cannot wash our hands of the blame for some of the troubles. If U.S. banks are in trouble with farm debt, our European farm policy is a significant part of the cause, and the Americans are unlikely to let us forget it in the round of international talks just beginning.

What is new is that even our *boasted virtues are now coming* under attack—our fiscal rectitude and strengthening trade balance. It is time, say the Americans — including that legend of rectitude, *Mr Paul* Volcker—for the Europeans to make their contribution to the growth of world markets, and do their share of the borrowing necessary to sustain world recovery.

Now while European statesmen may hang their heads and mumble when accused of bad trade rules, many are likely to answer back when accused of dog-in-the-manger fiscal policies: What the world needs, they *will argue, is less borrowing* and lower interest rates, thus relieving the debt problem, encouraging investment and lowering the debt service burden on taxpayers.

The present talks, then, are concerned with real, important and controversial issues: and the *issues, like our economies, are* all interlocked. The Europeans, for example, have their own demand: monetary reform.

Worried Americans

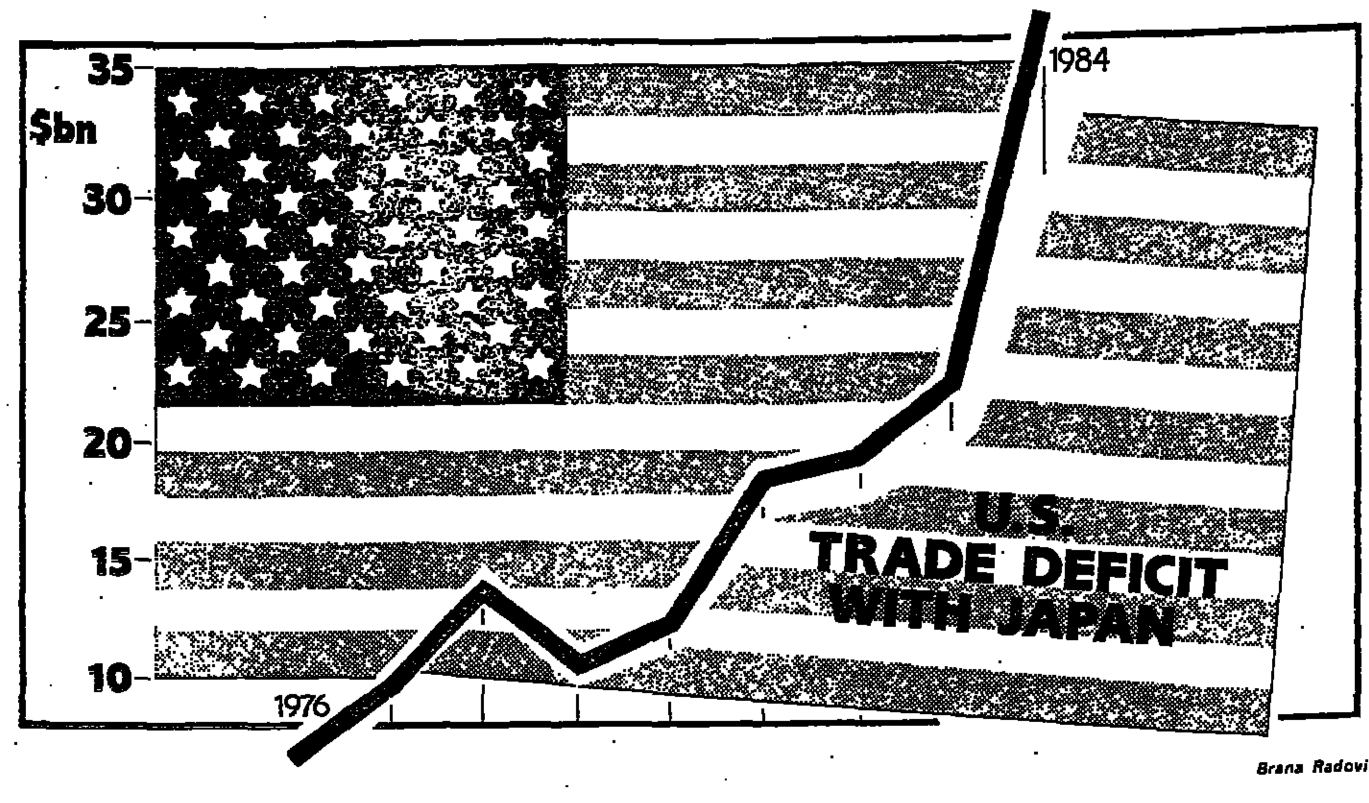
Now an argument which embraces everything — trade, money, and national tax and spending policies—is liable to be both highly confusing and somewhat inconclusive, and there is a temptation for the ordinary business reader to conclude that since *nothing* much is actually likely to happen, he need not bother his head with the day-by-day developments. This could well be a mistake this time round.

The matter is becoming urgent for a not particularly creditable reason, but a pressing *one: the Americans are now* genuinely worried about their own prospects. It is a basic rule of international economic diplomacy that nothing happens when the Americans are feeling complacent or isolationist. The converse of this rule—that something does happen when the Americans are *worried*—is likely to have more exceptions, but is still a good forecasting guide. When the Americans look likely to retreat behind *tariff barriers if they do not* get co-operation, the pressure is really on.

U.S.-JAPAN TRADE RELATIONS

Suddenly the mood turns ugly

By Stewart Fleming in Washington



"BO-EKI-SEN" was the cry which went up on the floor of the U.S. Senate as the assembled politicians voted on March 28 to condemn protectionist Japanese trading practices.

"That is Japanese for 'trade war'," proclaimed Senator Max Baucus of Montana, one of a growing phalanx of disillu*sioned free traders in Congress* who voted for a non-binding resolution recommending that President Reagan take retaliatory measures against Japan's exports to the U.S. A few days later the powerful Senate Finance Committee approved legislation—yet to move to the *Senate floor* — which would require President Reagan to retaliate.

There are long and painful memories of U.S. trade legislation in the Congress. They stretch back to the infamous Smoot-Hawley tariff legislation passed in 1930, which sent U.S. customs duties soaring to unprecedented peaks, triggering a protectionist backlash around the world which deepened the great depression.

So there is a widespread reluctance among Congressmen to concede that retaliation *against Japan is the equivalent of either protection or the first shot in a trade war.* Instead Congressmen argue that Japan should assume the responsibilities which ought to go with its *status as the second largest* economy in the Western world.

Few would deny that in the past few weeks an ugly mood of brooding frustration about America's rapidly deteriorating trade accounts—and in particular the \$37bn trade deficit with Japan—has erupted into bitter recriminations. If the U.S. and Japan have not yet joined in a trade war, they are moving ominously in that direction.

Moreover, this week's package of Japanese trade liberalising measures, or promises of trade liberalisation—the seventh in *four years—has done nothing to* placate Japan's critics in America and may have bought Prime Minister Yasuhiro Nakasone and his colleagues less time than they think.

Carefully seeking to support a close friend, the Reagan Administration has been fulsome in its praise for the Prime Minister Nakasone's personal courage in calling on his countrymen to buy foreign goods. *But it has left no doubt that it* is much less impressed with the proposals themselves and that Japan needs to do more and faster, to stimulate imports such as U.S. electronics products and timber.

The package the Japanese Prime Minister announced comprised a mixture of already-negotiated steps to ease U.S. access to telecommunications and pharmaceutical markets, plus promises to consider reducing tariffs on plywood, and to encourage economic growth. A government campaign will be launched to encourage Japanese *consumers and companies to* buy foreign goods. Roger Swanson, executive director of the Advisory Council on U.S.-Japan Relations, in a remark which reflected a widespread scepticism amongst businessmen about whether promises would translate into U.S. sales, noted: "It is not reassuring . . . what we wanted to see was measur*able goals with target levels.*"

Said one weary Administration official this week: "We have got to keep the pressure on, both to satisfy our critics (in Congress) and because that seems to be the only way to get a Japanese reaction."

The past few weeks, meanwhile, have underlined some harrowing questions for the Reagan Administration. Until Congress began to move against Japanese trade policy on March 28, Administration officials privately conceded that they were following a time-honoured tradition of using *Congressional rumblings* as a useful re-inforcement.

But observers sense that in the past two weeks officials have been taken aback by the anger among politicians and businessmen and are now deeply concerned that they are in danger of losing control of trade policy on Japan to the Congress.

Congress's threat to force President Reagan to take retaliatory action against America's most important strategic ally in the Pacific basin has complex roots. Sheer frustration with the tortuous and, so far as Americans see it, not very fruitful trade talks in recent years, is undoubtedly a factor. "Something just snapped," is how one trade lawyer in Wash*ington put it recently.*

Even some Republicans concede that the calls for retaliation contain a message directed not only for Japan but for President Reagan.

For many middle-of-the-road republicans link high interest rates, the strong dollar and the U.S. budget deficit to the huge \$123bn U.S. trade deficit. To them, the President's evident reluctance to compromise more readily on a package to tackle the budget deficit is a source of profound concern. Their confidence in the President's economic policy is waning as they sense that the risks of recession, triggered by the *failure to tackle the budget and* trade deficits, are rising.

Their sensitivities are readily understandable. While President Reagan may not have to stand for re-election, next year, however, 22 Republican Senate seats and with them Republican control of the Senate will be at issue in the Congressional mid-term elections.

In the Democrat-controlled

Jobs are being lost to imports not only in decaying 'smokestack' America but over the whole manufacturing sector

House of Representatives this link between militancy on trade *with Japan and doubts about* Administration economic policy is naturally more explicit. The House resolution attacking Japan made it clear that broad Administration economic policies, not just Japanese trade barriers, are part of the problem. The Democrats sense that *in the trade deficit they may* have a political weapon to use against "Reaganomics," a weapon which is less abstruse to the typical American than the budget deficit.

Jobs are being lost to imports now not only in decaying "smokestack" America but across the whole manufacturing sector where production has been stagnant for over six months. Farms are failing partly because farm exports are weak while mining and oil-based industries in "Reagan country" in the West are labouring too in the face of foreign competition.

Expressing his concern about *the urgency* with which U.S. companies need to gain better access to Japanese markets, Mr Robert Galvin, chairman of Motorola, the computer and electronic components group which has been vociferous in its concerns about import trends, said: "The Japanese have not practised free trade in the electronics business for a period of 25 years that I have been trying to do business (there) and they continue to find every *other new means of expressing* the same reservations."

Alongside its now firmly established dominance in U.S. consumer electronics markets, the surging Japanese trade surplus with the U.S. reflects the growing value of its car exports. Now that quotas have been removed, the prospect is that unit sales will rise by some *500,000 to* around 2.3m this year.

But it is the spreading impact of Japanese competition in capital goods and high tech sectors at a time when U.S. manufacturers are burdened by an over-valued dollar which has been an additional source of *concern. The U.S. has gone* from a telecommunications trade surplus with Japan of some \$200m in 1982 to a deficit of \$1.9bn last year, reflecting in part the break-up of the American Telephone and Telegraph monopoly. On top of that U.S. high tech and capital goods manufacturers are losing overseas sales to Japan's high tech producers.

Reagan policymakers who say that faster economic growth is the way out of the budget deficit dilemma and that a strong dollar demonstrates the superiority of U.S. economic policy, are finding it harder to make these arguments stick.

"Trade problems," says Merrill Lynch in its latest "Business Outlook" "are quickly supplanting the federal deficit as the central economic worry."

Federal Reserve Board chairman Mr Paul Volcker wondered this week whether the American *economy would begin to fade* with a manufacturing sector stagnant since last summer and agriculture and mining in the doldrums.

With this concern in mind, he called on Europe and Japan to stimulate their economies, a plea being echoed elsewhere. Morgan Guaranty Trust in its influential "World Financial Markets" coupled an astonishing call for trade sanctions against Japan with a perhaps contradictory suggestion for a co-operative international economic strategy. This would involve governments in Europe and Japan adopting stimulative economic policies and the U.S. cutting its budget deficit and pushing through tax reform.

Fears that the U.S. economy will run out of steam, that international co-operation will not produce a strategy to help to sustain economic growth in time, and that recessionary and associated protectionist forces will gain the upper hand, help explain the Congressional lurch towards protectionist retaliation against Japan. The fact that some in Congress are toying with an import surcharge as a means of tackling the twin budget and trade deficits only reinforces these anxieties.

There is less danger that U.S./Japanese trade *relations* will be mishandled politically. President Reagan and Prime Minister Nakasone are on close personal terms, both sides recognise the importance of the broader, strategic relationship while the Reagan Administration is instinctively committed to "free trade" and the free play of market forces.

But the risks of ill-judged initiatives elsewhere—particularly in Congress—are high. Trade experts in Washington such as Mr Harold B. Malmgren, a former deputy U.S. trade representative, say they cannot recall a period of such intense trade *tension since World War* Two—a judgment that is not all that surprising given the size of the trade deficit and its impact across the economy.

The fact that the focus of these tensions is primarily, but not exclusively, Japan, is also a worry. Mr I. M. Destler, a Japanese trade *expert at the* Institute for International Economics in Washington, points out that the breadth of the Japanese impact on the U.S. economy has long contained the threat that a broadly-based anti-Japanese coalition could be assembled on Capitol Hill.

Of concern, too, is the evident difficulty of resolving trade conflicts with Japan, a problem rooted in the strength of the Japanese bureaucracy and Japanese cultural and business traditions. Moreover, even on the most favourable assumptions *about Japanese concessions,* the most that could be expected would be a reduction of around \$10bn over several years in a bilateral trade deficit which will rise above \$40bn this year.

Arguably, too, the "new patriotism" of the Reagan Administration, its ideological conviction *about the correct*ness of its economic philosophy, its determination to impose its views on its negotiating partners and its evident reluctance hitherto to compromise in the interests of international co-operation, are, as Mr Malmgren fears, potentially counterproductive. *There is the danger, too,* of course that, as is often the case, compromise comes harder when it begins to appear that policies based on ideological conviction are not working out as expected.

The fact that Japan is not just a troublesome trade partner but also a technologically powerful rival, may also be a source of tension.

It is concerns such as these which contribute to the anxiety about how the trade tensions with Japan will play out, and what the clash bodes for the world trading system.

At least until after the Bonn summit, the Administration and Congress will want to see the *highly-charged atmosphere of* the last few weeks dissipated. But there is not much confidence that this will be anything other than a temporary relief. Managing the bilateral trade relationship is likely to be a daunting task for some time to come, especially if the *U.S. economy* begins to perform as badly as Wall Street's pessimists fear.

Letters to the Editor

Subsidies for exports

From Mr C. Siegl

Sir,—The letter from Sir John Curtiss (April 1) is welcome *reading in that it underlines* the importance of export subsidy in an international market place where others aggressively compete with the use of such subsidies.

What neither Sir Gordon Downey nor Mr Byatt of the Treasury have seen fit to emphasise is that the benefit of export subsidy is twofold. On the one hand it is instrumental in enabling the UK exporter to obtain orders and therefore employment for his staff which he otherwise would not achieve—it does not give him added profit. On the other hand it gives a principal direct benefit in the form of reduced interest to the foreign borrower who, especially if he is from the third world, suffers currently under a climate of unprece*dented high real interest rates* —indeed with the mountain of third world debt and its attendant perils to the industrialised world banking system, it can be argued that support in the past has been grossly and dangerously insufficient.

It is only when international *interest rates led by the U.S.* dollar drop to levels more commensurate with current inflation and when national tax payers pay for their own national budget deficit that the pressure for interest rate subsidy will decrease. So far Government has resisted advice from the Treasury to withdraw subsidy. It is to be hoped that it will continue to do so.

C. F. J. Siegl,
20 Eastbourne Terrace, W2.

Bring back Maplin

From the Chairman, Noise Abatement Society

Sir,—With all the controversy over expansion at Stansted and/or a fifth terminal at Heathrow, it is high time that Maplin took its rightful place as Europe's premier air and deep water port.

It would be capable of handling all of London's air traffic for the foreseeable future and usable 24 hours a day without causing noise nuisance to anybody.

Maplin noise contour includes no populated areas and lies over reclaimed land or over the sea and it will be possible to organise air traffic control so as to "stack" over the sea.

With a promised 20 minute *rail link with central London,* everybody should be happy.

There is plenty of money looking for investment so I daresay it could be built by private enterprise.

So please, Mr Ridley, decide on Maplin today!

John Connell,
PO Box 8,
Bromley, Kent.

Marketing myopia

From the Controller, TSB Group Central Executive

Sir,—Christopher Lorenz (April 11) is quite right to highlight the lack of commitment to marketing principles outside the packaged goods sector.

A major cause has been the error of assuming that the techniques that have been successful in marketing are the only ones. You don't sell excavators or for that *matter* house mortgages by giving away plastic roses. The underlying marketing principles do apply, but the means of implementing them will differ radically between markets.

In the case of financial services for example, this process *is still in the evolutionary stage* but is proceeding rapidly. Three apparent contradictions seem to have muddied the water — the customer creation/satisfaction process is critical, but personal customers are often both ignorant and apathetic about financial products; *the financial service revolution* is broadening the scope of service providers, but, in practice success still depends on identifying particular market niches and directing fire power accurately; and competitive response time to the introduction of a new financial product is very short, but the customer relationship that results may last a life time.

Many companies have either not faced up to the "cultural revolution, and possibly an organisational one as well," that is involved, or have been repulsed by the magnitude of *the task.* Market Research has *not yet developed the tech*niques to be totally effective and credible in this market place.

Nevertheless, Levitt's basic concept is still valid and the companies that succeed in the next 10 years will be those that build effective customer-oriented organisations with efficient customer-creating and customer-satisfying mechanisms.

R. J. Williamson,
PO Box 33,
25 Milk Street, EC2.

Voluntary retirement

From Mr H. Williams

Sir,—We are told that if the retirement age were reduced to 55 it would cost a colossal sum of money, even if it reduced the number of younger people unemployed.

If this is the case why not *make this voluntary retirement;* the old age pension could be paid at a reduced rate, ie, 60 per cent until the age of 65.

This would appeal to many people between 55 and 65 who are covered by occupational pension schemes and have worked for 35-40 years. Many *people of this age have interests* outside their work which they would be quite happy to pursue.

At work many are considered to be past their best, especially these days when everything is changing so rapidly it would be better for younger people who can adjust *to change more easily to be* employed, or if already employed, to be promoted.

Henry Williams
15, Adelaide Terrace,
Truro, Cornwall.

Surrogate motherhood

From the Chairman,
The Maternity Alliance.

Sir,—I hope it will not be construed as a lack of concern for the problems of infertile women to disagree profoundly with Christine Burton's arguments in favour of commercial surrogate motherhood (Lombard, *March 29*).

The problems of female infertility are indeed more intractable than those of male infertility, where there are alternatives to "normal" conception in the form of AID or AIH — procedures which are for most people ethically as *well as medically straight*forward. Where the woman is the infertile partner the problems are more complex, although some forms of treatment whether by hormone therapy or IVF already exist.

There still needs to be far more work on the question of *the prevention of infertility as* well as research into new techniques and improvements in the success rate of current procedures. Such advances would be halted by Enoch Powell's Private Members Bill before Parliament which would, if it became law, deal a grave blow to the hopes of many *infertile* people as well as those looking for ways of preventing congenital and hereditary disease.

But condoning surrogacy as a solution is surely not justified on either ethical or practical grounds. The potential for pain and misery to all those involved *is very great. Quite apart from* the issue of economic pressures, there are the problems inherent in a variety of situations from the surrogate mother changing her mind at the end of the pregnancy and keeping the child, to her regretting for years to come going ahead with her bargain and giving up the child she has borne, to the birth of a handicapped child which is abandoned by all parties.

As for the commercial aspects that Miss Burton argues a free enterprise government ought to support, the dangers of commercial pressures in the field of health are only too apparent at the moment in the blood donation services in other parts of the world. We should be moving away from payment to sperm donors rather than towards it for "womb leasers."

On more general grounds, not all means to the ends of relieving infertility can be countenanced by society. We do not allow babies to be bought and sold through private adoption *arrangements: we do not ban* abortion in order to force women to go ahead with unwanted pregnancies so that there will be more babies available for adoption. No more should we condone the rental of a woman's body for nine months.

There *are other ways forward* in the treatment of infertility. It is to these that we should be devoting both higher priority and increased resources.

Helene Hayman.
59-61 Camden High Street,
NW1.

Pension fund managers

From Mr N. Freethy

Sir,—A pension fund should invest part of its assets overseas if the prospective return looks attractive. This implies expo*sure to exchange rate fluctua*tion as well as to the local market, which compounds the risk. If one's view on the currency is neutral, or worse, it makes sense to cut down the variables by hedging the currency, leaving exposure only to the local market.

The recent unprecedented strength of the dollar prompted hedging at all rates from \$1.50 downwards, decisions which with the usual hindsight have come under fire from those who were either too indolent, too ignorant or sufficiently prescient to take avoiding action.

Such criticism can only inhibit investment managers from acting prudently or from pursuing an independent line. Surely the fairest way to judge *performance on overseas invest*ments is to measure first the effect of local stock selection and then to consider the effect of the currency as an indepen*dent item.*

This makes Cubie Wood's "attack" on pension fund managers for "unnecessary hedging" (as reported in Eric Short's article of April 2) all the more distressing for its purely subjective condemnation of such investment managers. While paradoxically preaching the virtues of less reliance on short-term criteria such ill-judged public criticism by a national performance measurement service, which is based on equally short-term statistics, can only serve further to inhibit the performance of investment managers and, with some justification, strengthen their mistrust of and antagonism towards performance measurement services.

N. D. Freethy.
Hymans Robertson & Co,
190 Fleet Street, EC4.

Pejoratives in politics

From Mr M. Varcoe-Cocks

Sir,—In your leading article of April 9 you suggest that President Mitterrand will be accused of "gerrymandering" because of his proportional representation plans. Governor Gerry of Massachussetts, after whom "gerrymander" was coined, gained notoriety for manipulating boundaries for *electoral advantage. As Presi*dent Mitterrand does not plan boundary changes, he cannot be accused of gerrymandering, but he may unwittingly have spawned a new pejorative political term: "to Mittermander"!

Michael D. Varcoe-Cocks,
3 Onslow Court,
Drayton Gardens, SW10.

GEC'S MANAGEMENT CHANGES

Weinstock reshuffles the pack

By Guy de Jonquieres

"KENNETH and I worked in tandem. Now I have just the bicycle, and a lot of other chaps are getting their own bicycles too."

Thus Lord Weinstock, managing director of the General Electric Company, encapsulates the management reorganisation prompted by the retirement from full-time duties this week of Sir Kenneth Bond, his deputy, close friend and effective alter ego at the head of one of Britain's largest manufacturing enterprises.

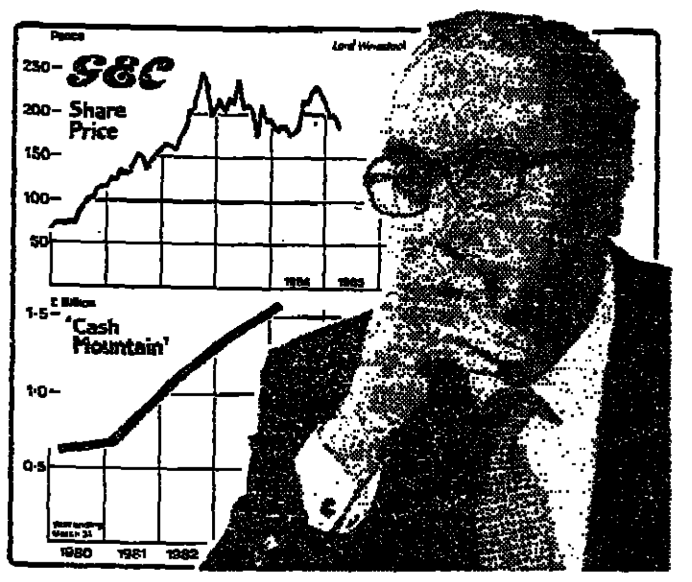
The Weinstock-Bond combination has been exceptional both for its effectiveness and its longevity. Together with Mr David Lewis, a lawyer who retired in 1982, it formed for two decades the nucleus of the compact central staff which presides over GEC's far-flung empire from the London headquarters in Stanhope Gate, Mayfair.

The links between the three men were forged at Radio and Allied Industries, the television manufacturer taken over by GEC in 1960. They rose rapidly to the top of GEC and by the end of the 1960s had masterminded the successful acquisition and rationalisation of English Electric and Associated Electrical Industries which form the core of the business today.

GEC's blend of rigorous, centrally-administered financial control and devolved operating responsibility has been widely imitated since then. However, many of its characteristics remain unique—above all the personal chemistry of the men at the top. This week's announcements clearly indicate that GEC has concluded that even it cannot hope to recreate the formula.

Lord Weinstock, still aged only 60, is the noly full-time executive left from the generation which built GEC into what it is today. Sir Alan Veale retired this week as the long-time head of power engineering. Other powerful corporate barons, including Sir Robert Telford of GEC Marconi, former research chief Sir Robert Clayton and chairman Lord Nelson have already stepped down.

Though influential new personalities have surfaced at Stanhope Gate over the past decade, few have first-hand experience in GEC's operating divisions. Mr Malcolm Bates, its top troubleshooter, peripatetic deal-maker and new deputy managing director, joined from merchant bank Brandt's.



Bob Hutchison

Mr Derek Roberts, who runs GEC's laboratories and has substantially increased the emphasis on research, came from arch-rival Plessey, while Mrs Sara Morrison, a director respected by Lord Weinstock for her views on a wide range of political and social issues, was formerly active in the Tory party and community affairs.

The absence of a clear line of management succession is one of several aspects of GEC which have increasingly troubled the City in recent months. Slower profits growth—GEC reported flat results in 1983-84, though its performance has since improved—has tarnished its once gleaming image on the stock exchange, while many analysts have claimed to detect signs of indecision about the group's longer-term direction.

The biggest talking point in the City for several years has, of course, been the fate of GEC's £1.6bn cash mountain. Rumours that the company is about to make a dramatic takeover are part of every broker's stock in trade. Yet GEC's last really big acquisition, the $116m purchase of the U.S. medical systems company Picker, was in 1980.

Some critics see the growth of the cash mountain as evidence that GEC's skill at cutting waste is not matched by its talent for innovative expansion. Mr Nicholas Edwards, Secretary of State for Wales, has accused it of turning itsel finto a financial institution on the back of government contracts, instead of risking its own resources to develop and market new products aggressively.

Less publicly, other ministers fault GEC for tying up too much of its advanced technology in UK defence business and for continuing to depend too heavily on telecommunications orders from British Telecom, whose former commitment to buying British is rapidly ebbing.

GEC was keen to emphasise this week that renewing the quest for growth was a top priority of its management changes. By breaking down the power engineering group into smaller units, it hopes to give younger managers more scope to show their paces. A similar re-organisation may take place at the avionics group after its 64-year-old managing director, Mr Jack Pateman, retires.

The company's newly-formed finance subsidiary has been given the task of seeking higher returns than GEC now earns on its liquid assets. Starting out with a small fraction of the cash pile, it will be encouraged to make venture capital investments in businesses complementary to GEC's own and to scout out opportunities for larger, strategic acquisitions.

The centrepiece of the reshuffle is the creation of a UK management board, consisting of about two dozen GEC executives drawn from Stanhope Gate and the operating divisions. This is an innovation in Britain and is loosely modelled on the two-tier board structure common in German companies, which Lord Weinstock admires.

Exactly how the board will operate is still unclear, and its full membership has yet to be announced. It is not expected to have any formal executive role but seems more likely to function as a cross between a high-level discussion group and a managerial talent contest.

The need for such a body stems partly from GEC's unusual corporate structure. It consists of more than 100 separete subsidiaries, all of which report to Stanhope Gate, but many of which have little direct contact with each other. Though they have considerable operating autonomy, they are expected to stay close to their assigned business areas.

But the new technologies do not respect traditional business frontiers. One purpose of the management board is to enable GEC better to co-ordinate the use of its diverse resources and to encourage cross-fertilisation of ideas between different parts of the company.

The body's other main role will be as a proving ground for management succession. It is hoped that the process of getting promising executives in their forties and fifties to pit their wits against each other openly will throw up a new cadre of leadership.

Lord Weinstock is also keen to avoid the stigma of personality cult and for GEC to be seen to have a broadly-based top management. He says a change in style and structure, perhaps in the direction of a more loosely integrated group, is an inevitable consequence of the passing of the old guard.

However, he is not obliged to retire until he reaches 70 and in the immediate future expects to work even harder. As well as chairing the management board he will have four new units reporting directly to him as a result of the re-organisation of power engineering.

His own influence thus remains as strong as ever. It remains to be seen how quickly GEC can reshape the distinctive mould created by its founders and whether, from its new generation of executives, there will emerge men with the exceptional ability and stature of Lord Weinstock and Sir Kenneth Bond.

Britain's estate agents


Trevor Humphries

Revolution among the 'for sale' boards

By Michael Cassell, Property Correspondent

AFTER 200 years of tranquillity, Britain's estate agents are on the brink of a big shake-up which may transform their business.

The profession, which first prospered by serving great landowners like the Church and the Crown, before acquiring a new generation of residential and commercial property clients, has entered a decisive phase in its history.

With property markets and clients' requirements undergoing significant changes, the agency-surveying business is having to examine its own structure and take steps which a few years ago would have been considered both unnecessary and unthinkable. Established agents are breaking with tradition by selling their shares to outsiders, new competitors are entering the market, and the pressure to provide a "one stop" service for house buyers and sellers is growing.

Although estate agents leave their calling cards at countless homes, shops and offices around the country, surprisingly little is known about the size, structure or profitability of the business.

The agents, who thrive on market gossip and are not known for their powers of understatement, turn positively shy when asked to talk openly about the strengths and weaknesses of their competitors or their own performance.

"Hundreds of years of tradition have taught us not to try and cut each other's throats Manhattan-style. The majority of professional surveyors would be horrified if we even thought about trying to poach other people's clients," explained Bruce Douglas-Mann, senior partner at Jones Lang Wootton, one of the largest commercial agency and surveying firms with 1,650 staff in 15 countries.

Anyone in the UK can start an agency business and there are even senior partners in some firms, usually engaged in the less intricate house agency market, who have no qualifications. The Director-General of Fair Trading merely has the powers to stop "unfit" people from trading.

Recent estimates of the number of UK agents range from 6,600 firms with 11,500 branches to 11,500 firms with 14,500 offices.

In a bold attempt to put a price tag on the business, James Capel, the stockbroking firm, used the turnover of the four publicly quoted agencies and the number of offices they operate to project a value for the total UK market of around £1.75bn, a figure encompassing all residential and commercial businesses. Many firms provide client services for both markets.

With more than two-thirds of all private housing transactions conducted through house agents, the fight is on to capture a growing share of an expanding market—most forecasts suggest that the level of owner-occupation in the UK could rise from 60 per cent to 75 per cent by the end of the century.

Until now, firms have been restricted to selling up to 25 per cent of the equity in their businesses to outside interests, and only then with the approval of the RICS general council.

However, little-publicised rule changes, already approved and due to go before an extraordinary general meeting, will give residential and commercial agency partnerships the freedom to convert themselves into limited liability, public or private, companies and to sell off any proportion of their businesses.

Four residential agencies have already broken with tradition by launching themselves on the stock market. Others are likely to follow soon. Given the impressive performances of some of the newly-quoted businesses—Bairstow Eves recently reported a 90 per cent rise in pre-tax profits—they could prove a hit with investors.

Behind these agents' decision to exchange private partnerships for public accountability is the growing conviction that the future lies in the creation of nationwide networks, able to provide house buyers and sellers with a one-stop service.

The estate agents cannot assume that they will be left alone to fight it out for themselves. Lloyds Bank, through its Black Horse operation, already own seven main agency operations with 166 offices, giving it the largest residential agency network in the UK.

Despite fears over potential conflicts of interest from a dual lending and agency role, the building societies have also given notice that they may become involved in the house agency business. With their long experience of the housing market and immense resources, some societies could prove to be powerful competitors. Establishing an agency business involves relatively low capital costs.

Many of the larger agents are convinced that the best way to protect their future is to widen their geographical base as well as the range of services they provide. It seems inevitable that there will be a growing polarisation between large, national businesses and smaller, localised practices.

Interested buyers may come from beyond the agencies themselves, for instance financial service groups and even foreign banks and real estate brokers. Few people in the UK agency business would be surprised if Coldwell Banker, for example, the U.S. real estate broking operation owned by Sears, stepped up its existing UK presence via an acquisition.

The future of commercial estate agencies is also in the melting pot. The financial services revolution now reshaping the City of London has raised expectations that the major agency-surveying practices represent the last piece in the jigsaw; that, like brokers and jobbers, they will soon be forging a variety of links with the merchant banks.

The commercial agencies themselves, however, emphasise that, although they will need additional finance to fund expansion, they do not face the pressures which have triggered the City revolution. But if any of the major estate agents were to move in that direction, it could have a domino effect.

The recent growth of the big commercial firms, based on the huge rise in institutional spending on commercial property, has seen a major widening of the professional services they provide, to embrace not only bread-and-butter agency work but portfolio management, analysis and performance measurement.

Recently, however, declining returns from property have made the institutions much more reluctant to commit investment funds to the market. While surveying firms expect the major funds to remain important clients, they are also moving deeper into corporate territory.

Robert Houston, of Baring Houston and Saunders, the corporate property specialist in which Baring Brothers, the merchant bank, has a 25 per cent stake, does not think the transition will be an easy one.

Mr Houston does not expect a flood of tie-ups between surveyors and other City institutions, if only because the merchant banks already have a lot to digest following the spate of proposed marriages.

But he adds, "If two big names do get together, then the temptation will be for others to follow.

Brian Harris of Richard Ellis, which has had numerous approaches from financial organisations, feels differently: "We are trustees of our firm. If we lose our independence we lose a lot of business. I also think any marriage would stifle an essentially entrepreneurial operation."

Bruce Douglas-Mann echoes that sentiment: "Integrity and independence is what we have to sell and I do not see how we could thrive as part of some conglomerate. As partnerships, nobody can have us unless we want to be had."

Weekend Brief

This is the way a war ends


The citizens' militia training in Ho Chi Minh City

A DECADE ago this month, Colonel Bui Tin of the North Vietnamese army took the surrender of General Duong Van Minh, the South Vietnamese President, in Saigon's presidential palace.

The ignominious handover by "Big Minh" was the culmination of a thrusting 55-day spring offensive by the Communists. April 30, 1975, brought the end of 30 years of war against the French and the Americans.

Bui Tin, who is now 57, is the first to acknowledge that it was a quirk of fate that he took the surrender. The deal architect of the campaign was General Van Tien Dung, now Vietnam's Defence Minister, whose corps commander executed the onslaught.

But the surrender could not wait, and Bui Tin, who was working for the army newspaper Quoi Doc Nhan Dan, happened to have the highest rank among those who stormed Saigon (now Ho Chi Minh City) and seized the palace.

He tells a remarkable story of those last hours. He says soldiers he was with had stayed up all night on April 29 nervously discussing the next day's battle plans, and were surprised to be met only with a bombardment of questions from curious city-dwellers. It turned out that Duong Van Minh had ordered the southern army to lay down its arms.

Bui Tin's column, Tank Brigade 201 of the Second Army Corps, then had trouble finding the palace. By the time they entered—just before noon on April 30, with Bui Tin riding the third tank—Minh and two dozen other ministers and officials had already assembled, trembling at their fate.

"I have been waiting for you since morning to hand over power." Minh said, according to Bui Tin. He says he replied: "There's no question of handing over. People cannot hand over what they do not possess. There is only a question of capitulation."

The heavy silence which followed was suddenly broken by shell and rifle fire which shattered a window in the palace room where the surrender was taking place. A dozen ministers dropped flat on the floor, fearing for their lives. But it was soldiers starting to celebrate outside.

"'Today the war has stopped." Bui Tin announced. "All Vietnamese are winners. Only the Americans are losers." He says he felt more tired and relieved than excited or joyful—they had fought for several days in a row, and water supplies were very low.

It was the second time he had been an eyewitness to history. In March 1973 he personally counted the last U.S. soldier, Sergeant Max Bielki, out of Vietnam, departing under the 1973 Paris Agreement. Almost twenty years earlier Bui Tin saw the Vietnamese defeat the French, when he was a battalion commander at Dien Bien Phu.

As Bui Tin tells it, the unfortunate Minh later asked him not to recall the day of April 30 because his name, rather than Nguyen Van Thieu's, would go down in history as the president who surrendered after only 30 hours in office.

Minh now lives in Paris. Thieu, who resigned from the Presidency earlier in April, was last believed to be living in Britain. Bui Tin left the army after 36 years in 1983 to become editor-in-chief of Nhan Dan, the Communist Party daily. He now lives and works in Hanoi.

Tales from a legal crypt

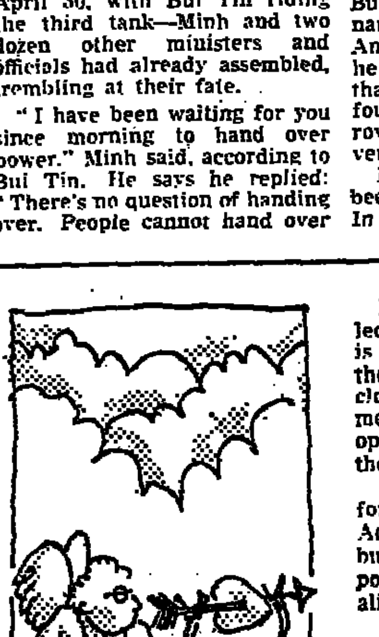
WHEN IS a person dead? When the brain stops functioning, or when the heart stops beating? Sweden is one of the last European countries still using "heart-related criteria" for determining death, but its stance is hardly tenable any longer, since the Karolinska Hospital, Stockholm, carried out Europe's first artificial heart operation on Sunday.

Swedish medical practice in defining death has ruled out transplants using Swedish hearts. The only transplant to date—at the Sahlgrenska University clinic in Gothenburg last summer—used a heart imported from West Germany.

The implantation of an artificial heart has bumped Swedes against the absurdity of their rules and illustrated how far medical science has jumped ahead of Swedish bureaucracy.

A further bizarre twist is added because of the patient's identity. This has not been confirmed by hospital authorities but the tabloid Press has been filled with lurid accounts of the man believed to have been operated upon.

He is said to have led a chequered life and been suspected of a variety of misdemeanours, although he has landed in the Swedish courts on only one count—alleged tax fraud. That case has never been tried, on the grounds of the man's severe illness.



The legal nicety arises: can a man with a plastic heart be called on to stand trial?

"This person is dead from one point of view," says Dr Göran William Olsson, head of the Sohlgrenska cardiothoracic surgical clinic, who carried out Sweden's only heart transplant last summer. "He does not have a heart."

Professor Bjarne Semb, who led the plastic heart operation, is disturbed that discussion of the patient's identity has clouded consideration of the medical significance of the operation. But he is aware of the legal sensitivity of the case.

"For him (the patient) and for us it feels very bureaucratic. According to he law, if you are bureaucratic enough, he is supposed to be dead, but he is more alive than many."

The debate on changing the criteria for death is finally expected to reach the Swedish Parliament later this year and a vote on legislation to change to "brain-related criteria for death" is likely by next year.

Several Swedes' lives have been saved through heart transplants, but all the operations have been carried out outside the country.

Much more experience has been gained of heart transplantation than of the use of artificial hearts, but for the moment transplants using Swedish hearts are still blocked in Sweden.

"We cannot take out a beating heart from a dead body," says Dr William-Olsson. "That will hopefully change next year but until then we must continue to import hearts."

The problem of exactly defining the moment of death first arose wtih the development of respirators. "If you have a totally infarcted brain, you cannot breathe, and the heart stops. An individual without a brain is dead, of course, but as long as the body is connected to a respirator, the organs can continue to function for up to a week," he says.

"I don't know if I would be prosecuted if I took out a beating heart in Sweden. I have been discussing this with lawyers. It is questionable and I don't want to try this. It is too provocative."

A more frivolous question was raised earlier this week: can a man with a plastic heart fall in love?

That was probably best answered by the patient himself. Mr Robert Jarvik, the U.S. medical engineer who has developed the plastic heart reperoted that the patient's first words to him after the operation were: "You are not a woman, but I could still love you."

Contributors
Chris Sherwell
Kevin Done

Hawker reaps £9m from strong $

Hawker Siddeley's overseas operations, particularly North American, offset lower returns at home and enabled the group to turn in a higher taxable profit of £151.5m, against £137.5m, for 1984.

The electrical and mechanical engineer, an original constituent of the FT 30 Share Index, reaped nearly £69m, compared with £37.3m, from the U.S. and Canada while Australia contributed £2.6m more at £17.1m.

In contrast, UK activities experienced a £15.6m decline to £54.9m and profits from Africa fell from £4.1m to £3m.

Total group turnover amounted to £1.6bn, a rise of £143m.

Changes in exchange rates had a beneficial effect on the group's total sterling results, with the strong dollar contributing £9m, while results in the UK were constrained due mainly to the impact of the coal strike, which cost £7m, and the timing of major contract completions.

However, Hawker says that total UK business does show a slowly improving trend in ordering, although patchy in detail.

In the U.S., where profits more than doubled from £17.3m to £35.2m, business on the whole "was vigorous," and Australia continued "to do well" except in the still depressed mining sector.

Canadian operations chalked up a £4.6m increase to £24.6m in a "difficult economic climate."

On a divisional basis, there were improvements across the board: mechanical engineering earned £55m (£53.2m), electrical engineering attained £62.6m (£56.9m), and Hawker Siddeley Canada (mainly mechanical engineering) achieved £24.5m (£22.7m).

The pre-tax line benefited from both a £1.8m reduction to £4.5m in redundancy payments and a doubling in interest credits to £9.4m.

A final dividend of 7.7p raises the total from 11p to 11.8p. Stated earnings per share were virtually static at 43.9p (43p), after an increased tax charge of £54.2m (£42.9m).

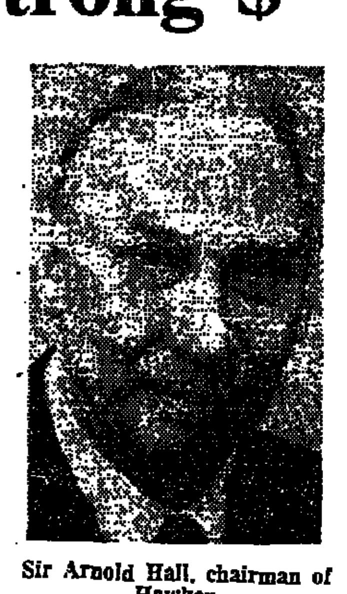
The higher tax reflects changes in last year's Budget, particularly the removal of stock appreciation relief, but this will be mitigated in the future as corporation tax reductions are effected.

Retained profits were down at £51.4m (£59.2m), after dividends and a £11.8m (£3.8m), extraordinary charge for closures and disposals.

Capital expenditure last year on fixed assets amounted to £52.8m (£33.9m). Cash in hand balances less loans and overdrafts totalled £11m at the year-end.

Regarding prospects, Hawker says that while there are areas in which business is uncertain, with strong world-wide competition pressurising profitability, there are signs of improvement in the group's business environment.

Overall, the order book shows a rising trend, though there is continuing hesitancy in certain market areas due to "shortage of credit or political or military factors."



Sir Arnold Hall, chairman of Hawker

See Lex

Gill & Duffus nearly £1m below forecast

Gill & Duffus Group has failed, by nearly £900,000 to meet the *revised £18m profit forecast it* made ten months into the 1984 year. The pre-tax result for the year was £17.11m, some £3.32m down on 1983.

The main reason for the shortfall was the increasingly difficult conditions in world commodity markets, and especially in cocoa, which is the mainstay of the group's business. The directors consider that the over-supply in cocoa will continue into the present year, and say that the group "will do well to achieve in the current year profits equal to those earned in 1984."

The dividend, however, is held at 10p net per share for the year with an unchanged 6p final. This is covered twice by earnings of 20p per share, *against 19.9p.*

One prominent feature of the year was the performance of the Clarkson Puckle international insurance broker. Mr D. Pearson, the chairman says that it successfully integrated the acquisitions of 1983 and maintained steady growth throughout all the areas of its operations.

Turnover was well up at £1.89bn against £1.25bn, but Mr Pearson says that what the group needs in the current year is activity in the commodity markets. He says that the likelihood is that markets will continue to be dominated by the over supply of the markets in which Gill deals, and that trading conditions will remain highly competitive. He looks forward to continued growth from Clarkson Puckle.

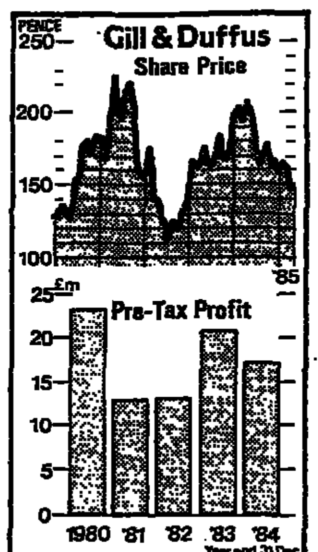
During the 1984 year the acquisition of Pearce Duff helped the group to establish a new food packing operations based in original nuts marketing and food packing opeations based inr London and Yorkshire. The division, however, is not expected to make a significant contribution to group profits for some time.

The sugar and grain trading business found conditions *increasingly adverse* as the year progressed, and the grain operation has now ceased. Overheads have been reduced in the sugar operation.

The small oil and gas exploration company in the U.S. again made losses and discussions are now under way for its disposal, which the board hopes will be completed over the next six weeks. It expects to realise around $6.5m from the sale.

The rubber market was quiet, say the directors, with few profitable opportunities, but the coffee business made good progress in spite of poor trading conditions.

The net outcome for the year was £13.45m against £13.72m after much lower tax charge of £3.67m (£6.71m). The dividend will account for £6.61m (£6.58m).



● comment

A downturn in year-on-year profits is one thing, but failure to meet a forecast mode 10 months into the year is another. For most companies this would bring gasps of horror and a plunging share price, but the market is obviously used to the vagaries of international commodities trading and responded kindly yesterday, marking Gill only 2p down on the day at 149p. The unchanged dividend and a yield of 10 per cent maintains its image as a good defensive stock, but cocoa really is the key to future performance. In an active demand-led market only two years ago the shares approached 230p, but in a world, on Gill's own estimate, awash *with cocoa, there seems little* prospect of similar heights for some time. Senior executives are no doubt praying for frost in Brazil, but they can take some consolation from the group's U.S. insurance activities, which helped to add £3.8m in an area where several UK giants have come unstuck in the recent past. A p/e of 7.2 is still far from risible in the circumstances.

Breakmate expands new business and tops forecast

IN ITS first results since arriving on the USM last October, **Breakmate** has produced pre-tax profits of £481,000 for 1984, which compares with a prospectus forecast of £450,000, and with £315,000 for 1983. Mr Richard Wright, chairman, is confident of another satisfactory result in 1985.

In line with forecast a final dividend of 1p is being recommended. Earnings per share are shown as rising from 6.75p to 8.90p.

Turnover of this supplier of drink dispensing machines to offices rose by 31 per cent to £9.1m. Mr Wright points out that one of the aims of the flotation was to increase awareness in the City of London, where a large part of the business is based, which has already led to new business. The company has *explored ways of improving the* quality of drinks using a formula of freshly brewed tea and coffee.

Considerable growth is anticipated from Breakmate Executive Catering. During 1984 the budget for new catering contracts was achieved and the budget for 1985 is being exceeded.

Mr Wright says that unit sales of dispensers, Filterfresh and *Automatic/In Cup machines* show an increase of 36 per cent on 1983. He says the aim is to increase the proportion of machines which are leased on rental contracts. Forward contracted income, which is a measure of the growth of leasing business, was £3.33m at the year end, compared with £2.22m.

The ingredients and accessories side of the business continues to be important. During 1984 the bottling of ingredients was *transferred from London* premises to a purpose-built packaging unit in Telford, Shropshire.

Keep Trust offers 240p cash for Adams & Gibbon

Keep Trust, a holding company with interests in motor trading, engineering and investments, has put in an offer for Adams and **Gibbons** which values the Vauxhall Opel main dealer at around £4.4m.

Keep, which already owns 11.89 per cent of Adam's ordinary *equity, is offering 240p in cash* per ordinary share, and 80p for each preference share. As an alternative, Adams' holders may elect to receive unsecured loan notes for all or part of their entitlement.

Adams' shares rose 4p yesterday to just 2p short of the Keep offer price, but Charterhouse Japhet, advising Keep, was quick to point out that the offer represented a 20 per cent discount on Adams' January level, when Keep first acquired its stake.

The Grovebell Group of motor distributors, headed by Mr Vasant Advani, holds a 14.39 per cent stake in Adams, which it also acquired in January. Mr Advani then said that he had no intention of making a full bid for the company.

Keep's explanation for the offer was that Adam's business—situated in Tyneside — would be complementary to its own and *would give it wider geographical* coverage. It pointed to Adam's trading record, which it called "disappointing." In the last full year to November 30 1984 Adams saw taxable profits rise slightly to £654,000 (£624,000) on turnover up £1.22m to £33m. This, however, was still below levels of profitability achieved in 1979.

Keep added that it may be necessary to dispose of one or more of existing dealerships "to comply with manufacturers' standard policies," but that it *would be its intention to offer* them to existing management.

Keep close down ½p at 16½p last night.

GRE may purchase U.S. marine insurer

By George Graham

Guardian Royal Exchange is holding talks on the possible purchase of Talbot Bird and Co., a U.S. marine insurance company.

Talbot Bird is a subsidiary of the American steel group Armco, which has been seeking to sell its troubled financial services group to help it to return to financial health.

Armco said the talks were not yet finally completed, but an announcement of a purchase agreement is expected by Monday.

Talbot Bird, based in New York, is a marine under-*writing agency with around* $90m a year in net premiums. It forms part of Armco's financial services division, which is in the process of being sold or liquidated.

Armco completed the sale *of much of its financial leas*ing operation to Glendale Federal Savings and Loan of California earlier this week.

This and earlier sales eliminated $535m of Armco Financial Services Group's $832m debt, which is off the main Armco group's balance sheet.

Armco has also put its reinsurance businesses "into a liquidation mode," doing no new business but discharging existing policies as they expire. The company said it was still intended to sell the reinsurance companies, but it was necessary to wait for losses to develop.

GRE has already expanded this year by acquiring a stake in the leading Luxembourg insurance company. In the U.S., however, it has not fared so well, with underwriting losses in that area nearly doubling in 1984.

The company said, however, that it still regarded much business in the U.S. as underpriced, and said when announcing its results earlier this month that it intended to develop its U.S. business in areas where it considered above average profits were to be made.

Saatchi & Saatchi

Saatchi and Saatchi has acquired, through its subsidiary Dorland Advertising, an independent advertising agency based in central London, for an initial consideration of £1.1m, equivalent to Sharp's net asset value.

The purchase of Sharps, which includes Imperial Group and Dixons among its clients, is further evidence of Saatchi's readiness to expand, *following on from last week's* £99m share issue and two U.S. acquisitions.

In the year to October 10, 1984, Sharps had gross billings of around £25m and pre-tax profits of £233,000.

The initial consideration will be supplemented by the proceeds of the sale of two Sharp's properties in France, equal to about £250,000 and funded by their sale. Further payments, to be satisfied by *the issue of Saatchi deben*tures, will be made in the next two years based upon the revenue of Sharp's clients.

Booker estimates 22% increase as a last shot in bid defence

BY ALEXANDER NICOLL

Booker McConnell, the agribusiness, food distribution and health products group, yesterday forecast a 22 per cent increase in 1985 pre-tax profits as a last shot in its battle against a £339m bid from Dee Corporation, the supermarkets group.

As it did so, however, Dee adjusted up its own estimate of pre-tax profits for the year ending April 27 1985 from £56m to £64m. "Almost all the increase in the forecast stems from property profits," said Mr Alec Monk, Dee chairman, in a letter to Booker shareholders.

He contended that inclusion of the property profits allowed a true comparison to be made with Booker profits.

Mr Michael Caine, Booker's chairman, said however in his letter that Booker's 1984 pre-tax profits of £36.8m included only £1m of exceptional property profits and that only £0.4m was included in the 1985 forecast.

In 1984, Mr Caine said: "Further property profits of £8.5m before tax which were categorised as an extraordinary item and taken below *the line* could arguably have been included in profit before tax."

Mr Jonathan Taylor, Booker's managing director, said: "Mr Monk cannot understand or appreciate the pace of change at Booker. He has *assumed that* much of the improvement in Booker's food distribution side has arisen from property profits, but this is not the case."

Dee's document included, at the request of the Takeover Panel, a restatement of comparative earnings per share and dividend records including the latest estimates from both sides—with the exception of Booker's 1985 estimates.

Dee is estimating earnings per share of 17p for its current financial year, 64 per cent up on the previous year. The forecast implies a very low tax charge, due principally to tax losses acquired through the purchase of International Stores last year.

Mr Monk argued that the earnings per share figure, revised up *from* the previous 14.6p estimate, is equivalent to 21.25p per Booker share compared with the 19.27p reported by Booker for 1984. "In addition, Dee expects substantial incremental benefits to arise from the merger of Dee and Booker," he said.

Booker forecast 1985 dividends of 11.5p, 28 per cent up on 1984, and estimated that earnings per share would rise 25 per cent this year to 24p. Mr Caine said Booker shareholders, by accepting the Dee offer, would suffer dilution in earnings *per share* if Dee's exceptional property profits were excluded.

Dee's offer of 125 shares for every 100 Booker closes next Friday, and was formally declared final yesterday.

Dee's shares rose 3p to 214p, valuing the share offer at 267p, while Booker's gained 2p to 250p. Dee holds 16 per cent of Booker but has said it may sell shares. Its offer has received acceptances of 5.3 per cent.

CHI takes complaint up with Panel

By Lionel Barber

C. H. Industrials, bidding for Banro, the sunroof and car component manufacturer, is to complain to the Takeover Panel over Banro's latest hard-hitting defence document.

CHI said yesterday that the document, which quoted three major Banro customers, Ford Motor Co. *Talbot and Toshiba*, voicing concern about a possible takeover, was deliberately misleading.

"We have spoken to both Ford and Talbot," said Mr J. R. Kinder, managing director of CHI, "and they are very unhappy about the context in which their comments were used."

Mr Kinder said CHI hoped to issue a joint statement with Ford and Talbot before its offer closes next Wednesday. This would clarify the position of the *two motor companies* who have been caught up in the £6.2m takeover battle.

CHI advised by Kleinwort Benson yesterday said it had raised its stake in Banro to 13.4 per cent. A major shareholder, Stewart Fund Managers, has pledged 13.1 per cent *to CHI in* the absence of a higher offer from a third party.

Banro's advisers, Hill Samuel, said the takeover battle was finely balanced. Banro's directors hold 7.3 per cent and the former chairman, Mr Geoffery Bate, and family associates hold 18.5 per cent.

CHI is offering five 6.65 per cent convertible £1 preference shares, valued at 102p each and one CHI ordinary share for every five Banro shares, or a cash alternative of 110.8p.

On the basis of last night's closing prices, CHI's share offer values Banro shares at 113p. Banro closed last night at 111p, unchanged on the day.

Mr Tim Hearley, CHI chairman, said that Banro's last defence document sound like a "panic stricken last stand."

"We are a long established supplier to the automotive industry, particularly Austin Rover, Ford and Jaguar," said Mr Hearley, who claimed that a change of control did not disturb existing customer relations unless they were already fragile.

Sales rise flows through to profits at Kwik Save

HIGHER sales and profits are reported by Kwik Save Discount Group, the *supermarket operator*, for the 26 weeks ended February 23, 1985.

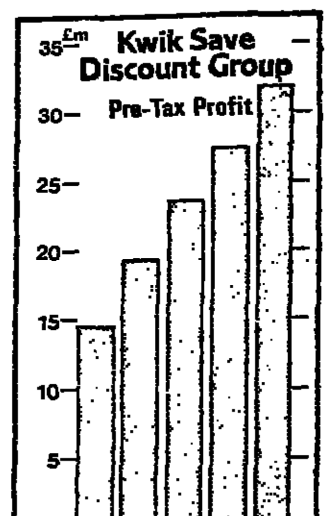
Turnover expanded by 8.7 pjer *cent from £309.5m to £336.46m* for the interim period, while profits at the pre-tax level went ahead to £15.39m, against £14.32m, a rise of 7.5 per cent.

Concessionaire rentals, including subsidiary Coleman Meat, rose from £3.03m to £3.32m, and net interest increased to £1.13m (£0.93m).

After six months' tax of £6.62m, compared with £6.87m—the charge has been taken at the composite rate of 43 per cent to take into account changes in corporation tax—earnings per share were given as 5.83p (4.96p).

The interim dividend is stepped up from 1.3p to 1.4p net—last year's final payment was 2.8p and total profits were £31.77m.

During the first six months Kwik opened 16 stores, nine wines and spirits units, and eight Arctic Freezer centres—two of which were converted from desited Kwik Saves. The group is now trading in more than 400 stores.



● comment

Kwik Save's figures are bang in line with the expectations of a market braced for a difficult first half, resulting from the miners' *strike*, the *slower-than-antici*pated opening of new stores and unusually strong competition from the fresh fruit and vegetable trade. In the circumstances, Kwik Save has done well in virtually maintaining the trading margin at 3.3 per cent (stripping out rental and interest income). The second half is looking much brighter, with the coal strike over, the challenge from fresh produce much diminished and an estimated 17 stores due to open, taking the total to 420 by the year end. The market is looking for pre-tax profits for the year of £35m. Assuming a 41 per cent tax change, that puts *the shares at 186p on a prospec*tive p/e of 13.5, dropping to 10.7 on 1986 profits of £40m and a 35 per cent tax rate. The multiples seem about right.

Trans Services pays £33m for New York jeweller

BY LIONEL BARBER

Transcontinental Services, the maurading investment company set up by Mr Jacob Rothschild, yesterday announced a deal worth $41m (£33m) to buy Seligman and Latz, a New York retailer of fine jewellery and beauty services.

Transcontinental, run from New York and listed in London, has formed an investor group which includes the former chairman of ITT, Mr Harold Geneen, to conclude the deal.

The group has contracted to acquire 27 per cent of the oustanding shares of Seligman and Latz now owned by affiliates of City Stores Corp. and has an option to buy another 26 per cent, owned by the founding families of Seligman and Latz. The deal is conditional on financing should be completed within 60 days.

Once the Geneen group has concluded this deal, it will offer to buy out the rest of the Seligman and Latz shareholders at $19 a share.

Transcontinental said it expected Seligman and Latz's current management to remain. Mr Stanley Cohen, Transcontinental's president, and Mr Geneen will join the board.

Norscot Hotels coming to USM via share placing

BY MARTIN DICKSON

NORSCOT HOTELS, a Scottish group which has nine properties including the Royal Golf Hotel next to the celebrated Dornoch golf course, is joining the Unlisted Securities Market through a placing of 1.8m shares at 113p, giving the company a £6.5m market capitalisation.

Eight of Norscot's hotels are in some of Scotland's main tourist areas in the Highlands and Islands and it has recently bought its first hotel in England—the Windermere Hotel in the Lake District. The company had pre-tax profits in the year to *January 27, 1985* of £495,000 on turnover of £3.08m.

At present its main shareholder is Burnthills, a private industrial company in which Mr Peter Ross, the Norscot chair*man, and his wife have* an 88.9 per cent stake.

The shares being placed will represent 31.5 per cent of Norscot's enlarged share capital. Some 817,000 shares are being sold by Burnthills, which will retain 50.03 per cent of the enlarged share capital. Some 983,000 are new shares which will raise £920,750. The Highlands *and Islands Development Board*, which has given considerable grants to Norscot, will hold some 15 per cent of the equity.

The shares were placed yesterday by Hambros, the merchant bank, and brokers L. Messel and Stirling Hendry. Dealings are expected to begin next Thursday.

Norscot has net assets per share of 80p and the placing price puts it on a historic p/e of 16.1, assuming a notional 35 per cent tax charge. In fact, the company paid 2 per cent tax, which brings the p/e ratio down to 10.4.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Aquascutum	1.5	June 7	1.3	2.25	2.05
Breakmate	1½	June 3	—	1	—
Chepstow Racecourse	1	—	1	1	1
Dinkie Heel	0.35	July 1	0.35	0.55	0.55
Gill & Duffus	6	July 1	6	10	10
Hawker Siddeley	7.7	July 4	7.1	11.8	11
Kwik Save int.	1.4	July 1	1.3	—	4.1
Laidlaw‡	1.4	June 5	1.4	2.5	1.86
Microlease‡	2	—	2	3	2
Scottish TV	6.5	—	6	8.8	8.1
UDO‡ int.	1.25	June 7	—	—	—
Utd. Ceramic‡	2.5	June 21	2.5	3.5	3.5

Dividends shown pence per share net except where otherwise stated.

* *Equivalent after allowing for scrip issue.* † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Unquoted stock.

RESULTS DUE NEXT WEEK

City sees £155m at Glaxo despite setbacks in UK and Japan

Glaxo, the pharmaceuticals and foods major, is expected to report on Monday profits of at least £155m (against £117m) for the six months to December. However, contributions from Japan and the UK could well be drawn as the impact of government action to reduce state drug bills comes through in lower margins.

In March 1984 the Japanese authorities reduced the reimbursement prices for drugs prescribed within the health system by 30 per cent and the impact of this on profits from the sale of the antibiotic ceftazidine were considerable. A more recent and far smaller price cut will have a limited impact on earnings from this drug and the ulcer agent Zantac in the second half.

Another factor affecting the interims will be the launch costs for Zantac, although earnings should now be coming through strongly for this new drug which in 1983-84 contributed an estimated 29 per cent of group non-wholesale turnover.

In the U.S. the profits contribution is expected to have doubled with Zantac doing very well and gaining up to 30 per cent of its market. The health sector is, however, rated by analysts as one which is most sensitive to currency changes, weakening visibly as the pound grows stronger.

Europe, with 27 per cent of non-wholesale turnover in 1983-1984, is also reported to be ahead strongly with Zantac gaining ground across the Continent.

The disposal last month of the low margin wholesale drug business, Vestric (profits of £1.3m on sales of £325.5m in 1983-84), can hardly be doing any harm to the second half and leaves behind it businesses with much stronger margins.

RTZ's £700m

Many of RTZ's subsidiaries and associates worldwide have already reported, leading analysts to expect that on Wednesday the mining conglomerate will unveil pre-tax profits ahead 22 per cent to just under £700m and net profits of just over £200m for 1984.

In Canada, Rio Algom (52.8 per cent owned by RTZ) has announced net profits of C$73.9m (£43.5m), up almost 45 per cent. Palabora of South Africa (RTZ stake of 38.9 per cent) was ahead 75 per cent to net profits of R56.2m (£27.8m).

Only in Australia was there a setback for a major RTZ unit overseas, with a sharp fall in net profits of CRA (52.9 per cent owned), down to A$29.5m (£19.3m) from A$71.5m in 1983.

In other divsions, RTZ Borax is expected to contribute £85m to the consolidated net, RTZ Pillar (formerly Industries), £51m and RTZ Metals £17m. RTZ Cement has been held to a contribution of £14m net.

With a new chairman, Sir Alistair Frame, and a 16 per cent rise in net profits the market is expecting that Wednesday will see a rise in the final dividend. History has tended to see the group's share price dip after results and then pick up subsequently, perhaps a higher pay-out, the interim was up 0.5p to 6.5p, might change all that.

NEI scenario

If Northern Engineering Industries had dreamt up a worst case scenario for itself it could hardly have thought up a blacker turn of events than 1984. As a result Wednesday's results are not expected to show any gains on 1983s £42.7m pre-tax and some analysts believe that the group will be hard pushed to achieve this.

Unlike many companies the currency factor ran strongly against NEI in 1984. In the U.S. losses were made, which could not be offset against tax elsewhere. In South Africa the 66 per cent owned subsidiary NEI (Africa) showed a gain in rand terms bust the currency's international weakness was such that as much as £4.5m may have been lost to the consolidated pre-tax figure.

In the UK group performance is expected to have been much the same as before but the mothballing of the Gateshead plant will, the company warned at the interim point, produce a below the line charge of £25m.

What is supporting the share price at the moment faced with this tide of bad news is a good contracts-in-hand position, a net cash balance that will have fallen from December 1983's £60m but will still remain strong, and the fact that the group is to maintain its payout and so keep the gross yield up.

Rampant Hepworth

J. Hepworth & Son looks to be taking the high streets by storm. The "Next" womenswear chain has captured a clear lead in the fashion market and its brother, "Next for Men," has *now been successfully launched.*

Having stolen such a march on its competitors, Hepworth is expected to turn in pre-tax profits for the six months to February (due on Tuesday) of just under £10m (against £8.61m). Most analysts have been marking them up as the reports of Next's successes have come through and are now looking for over £20m for the full year.

Able to fund its growth internally the group is still on the diversification trail and in the autumn will be launching, in co-operation with the Designers' Guild, a chain of furnishing fabric shops.

The shares, at 190p, are close to their 1984-85 high, rising *strongly ahead of the interim* report. Most brokers have this one as a firm buy.

BPCC

Other major companies reporting full year results next week include, the **British Printing & Communication Corporation, Hambro Life Assurance, Rugby Portland Cement, the Savoy Hotel, Taylor Woodrow, RMC Group, Telephone Rentals** and the **Ward White Group**. Interim *results are due from McKechnie* **Brothers**.

TERRY POVEY

Company	Announcement due	Dividend (p)* Last year Int.	Last year Final	This year Int.
FINAL DIVIDENDS—				
Anglo American Investment Trust	Monday†	150.0	440.0	150.0
APV Holdings	Wednesday	4.5	6.75	4.5
Astbury and Madeley (Holdings)	Wednesday	1.375	4.125	1.5
Atlantic Computers	Monday	—	0.66667	0.75
Benford Concrete Machinery	Thursday	1.0	2.75	1.0
Beatalls	Thursday	0.35	1.4	0.35
Boosey and Hawkes	Tuesday	2.0	3.0	—
Boustead	Tuesday	0.5	—	—
Bowthorpe Holdings	Tuesday	1.84	2.242	2.07
Brammall, C D	Tuesday	2.35	4.35	2.35
British Mohair Holdings	Wednesday	1.15	3.5	1.25
British Printing & Communication Cpn.	Wednesday	—	6.0	3.0
Brixton Estates	Wednesday	1.9	2.7	2.1
Brook Street Bureau	Wednesday	—	1.0	1.0
Cory, Horace	Thursday	0.6	0.8	0.8
Crowther, John, Group	Wednesday	—	1.0	—
Duncan, Walter and Goodricke	Tuesday	—	12.0	—
Elbar Industrial	Thursday	—	—	—
Emess Lighting	Tuesday	2.5	2.125	3.0
Etam	Wednesday	0.75	1.75	0.9
Falcon Industries	Tuesday	1.0	1.0	1.0
Finlay Packaging	Wednesday	0.75	2.25	0.75
First Charlotte Assets Trust	Wednesday	—	0.05	—
Fogarty	Wednesday	1.6	2.42	1.6
Fortnum and Mason	Monday	3.5	25.0	5.0
Garfunkels Restaurants	Friday	0.86	1.39	0.43
Godwin Warren Control Systems	Wednesday	—	0.7	1.0
Gratton	Monday	1.0	2.0	—
Grovebell Group	Wednesday	—	0.25	—
Hall, Matthew	Wednesday	1.275	5.725	1.35
Hambro Life Assurance	Thursday	4.7	11.1	5.4
Hammerson Property Investment and Development Corporation	Friday	1.5	6.0	2.0
Harris Queensway	Thursday	1.125	2.375	1.25
Johnson and Jorgensen Packaging	Monday	1.0	2.15	1.0
Juliana's Holding	Tuesday	0.7	1.05	0.77
Lamont Holdings	Monday	0.5	1.2	0.7
MCD Group	Tuesday	—	1.5	1.0
N M W. Computers	Monday	2.5	3.5	2.5
Northern Engineering Industries	Wednesday	1.65	3.6	1.65
Octopus Publishing Group	Tuesday	3.0	6.0	2.6
Owen Owen	Wednesday	1.0	2.3	—
Pentland Industries	Monday	0.326	1.4	0.5
Plasmac	Monday	—	—	—
Reed, Austin Group	Tuesday	1.0	3.0	1.0
Renown Incorporated	Friday‡	—	12.5	—
Rio Tinto-Zinc Corporation	*Wednesday*	*6.0*	*12.0*	6.5
RMC Group	Wednesday	4.1	7.9	4.4
Rugby Portland Cement	Monday	2.7	3.1	—
Savoy Hotel	Tuesday	—	2.0	—
Scottish Mortgage and Trust	Thursday	2.9	3.5	3.2
Securities Trust of Scotland	Thursday	1.0	1.775	1.1
Sundall, William	Monday	2.0	6.0	2.0
Steel Brothers Holdings	Tuesday	4.0	9.0	—
Sun Life Assurance	Wednesday	6.48	10.0	—
Taylor Woodrow	*Tuesday*	2.75	9.5	4.0
Telephone Rentals	Wednesday	2.0	3.75	—
Toye and Co.	Wednesday	—	2.25	—
Travis and Arnold	Monday	1.68	5.145	1.95
United Parcels	Wednesday	0.8	2.0	0.8
Ward White Group	Thursday	1.54	3.59	1.694
INTERIM DIVIDENDS—				
Aberdeen Trust	Thursday	1.8	3.45	
Adwest Group	Wednesday	1.5	5.2	
Audio Fidelity	Thursday	—	—	
Barry Trust	Monday	0.95	1.0	
Brikat Group	Monday	—	0.75	
Close Brothers Group	Monday	2.5	3.3	
Gable House Properties	Friday	—	—	
Glaxo Holdings	Monday	4.0	9.0	
Highland Distilleries	Monday	1.043	2.477	
Highland Electronics Group	Tuesday	—	1.8	
Kalamazoo	Wednesday	0.5	1.5	
Low, Wm.	Friday	2.9	7.1	
McKechnie Brothers	Thursday	2.0	5.2765	
Share Drug Stores	Tuesday	—	—	
SI Group	Thursday	0.435	1.165	
Stewart Nairn Group	Tuesday	—	—	
Swindon Private Hospital	Tuesday	—	—	
Ulster Television	Friday	2.15	2.75	
Wade Potteries	Wednesday	0.6	1.9	

* Dividends are shown net pence per share and are adjusted for any intervening scrip issue. † Cents per share. ‡ Yen per share

SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and deals

Prices in pence unless otherwise indicated.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder
Adams & Gibbon	240*	238	234	4.32	Keep Trust
Allied Ttextile	541	480	430	44.61	London & Midlnd
ASR Hldgs	450*	445	365	9.00	Minet Intl.
Banro Inds	116	111	66	6.34	CH Industries
Bonusbonds¶	34§	33	23	1.19	Promotions Hse
Booker McConnell	267½§	250	259	334.29	Dee Corp
Brown (Matthew)	439§ §§	415	323	99.12	Scot & Newcastle
Dunlop	22½	64½	31	32.36	BTR
E of Scot Onshr¶	¶¶	85	66	¶¶	Ind Fin & Inv Co
Enery Services	80½	92	67	30.31	Peek Hldgs
Foster Bros	215§	212	228	100.69	Sear Hldgs
Haden	240*	305	232	37.18	Trafalgar House
House of Fraser	400*§	396	346	430.92	Al Fayed Inv & Trust (UK)
Hurst (Charles)	200*§	165	190	4.32	Garvagh Secs
Imed Business Sys	40*	38	40	5.40	Weelaborator Intl
Ingall	80*	86	73	7.30	Gt Midland Co-op
Initial	534§ §§	521	533	169.54	BET
Jackson J. & H. B.	115†	114	84	27.29	Williams Hldgs
Lake & Elliot	80†	80	65½	7.95	Suter
Manor National	11½§§	10½	13	2.00	Bramall (C. D.)
Martin (R. P.)	450*	445	420	43.65	Quadrex
MJI Corp	19	19	15	4.26	Leigh Interests
Petrolex	75*	80	50	11.71	Clyde Petroleum
Petrolex	85½	80	81	13.36	Saxon Oil
Routledge & Kegan Paul	403§§	385	283	4.59	Assoc Book
Times Veneer	20*	51½	49	1.41	C.D.I. Hldgs
Tootal	72½*§	75	63	128.46	Entrad Corp
Trident Computer	79½	75	70	1.99	Park Place
UBM	188§§	186	159††	111.00	Norcros
Waring & Gillow	160*	147	155	24.96	Hopecastle

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital *not already held.* ¶ *Unconditional.* ** Based on April 12, 1985. †† At suspension. §§ Shares and cash. ¶¶ Related to NAV to be determined. ||| Loan stock. ‡‡ *Suspended.*

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Ash & Lacy	Dec	2,870	(3,410)	32.9	(56.3)	20.0	(20.0)
Aurora	Dec	6,590	(3,190)	3.8	(2.2)	—	(—)
Ayrshire Metal	Dec	338	(56)	—	(—)	0.5	(—)
Baird. William	Dec	11,860	(10,490)	47.5	(38.9)	17.5	(15.75)
Britannic Ass	Dec	5,470	(4,600)	—	(—)	2.55	(21.8)
Brit Dredging	Dec	1,350	(1,210)	5.0	(5.2)	2.5	(2.0)
Burmah Oil	Dec	70,000	(64,900)	27.6	(24.7)	10.75	(9.75)
Centreway Ind	Dec	58	(275)	—	(—)	0.1	(1.8)
Conder Group	Dec	363	(4,680)L	—	(—)	1.5	(—)
Connells Est Ag	Dec	1,750	(1,510)	8.2	(6.5)	3.5	(—)
Cussins Prop	Dec	1,330	(1,500)	18.8	(18.2)	6.0	(5.5)
Elys (Wmbldn)	Feb	473	(380)	19.9	(21.4)	9.0	(7.5)
Erith	Dec	2,040	(1,850)	6.3	(6.5)	3.1	(2.85)
Exeter Build	Dec	382	(659)	10.1	(17.4)	5.6	(5.6)
Ex-lands	Dec†	54	(32)	18.3	(16.5)	0.6	(0.6)
Expamet Intl	Dec	3,350	(2,785)	9.5	(7.6)	5.0	(4.75)
Farmer, S. W.	Dec	1,530L	(529)	—	(8.2)	3.1	(9.75)
Fitch & Co Des	Dec	1,340	(1,020)	11.9	(10.9)	5.31	(4.62)
Fothergill & Hvy	Dec	2,570	(1,900)	11.8	(10.4)	8.25	(7.75)
French Connect	Jan	3,040	(3,270)	—	(—)	5.25	(2.6)
Gaskell Broad	Dec	1,200	(1,350)	—	(—)	5.0	(4.5)
Greenbank Indl	Dec	1,400	(1,660)	3.2	(3.5)	2.1	(2.1)
Greenfields	Oct	1,400L	(459)L	—	(—)	0.25	(—)
Helene of London	Dec	1,400	(998)	2.7	(2.0)	1.48	(1.48)
Hewden-Stuart	Feb	6,350	(4,370)	5.0	(4.2)	1.53	(1.33)
Hugin	Dec	2,950	(2,060)	—	(—)	—	(—)
Hunting Pet	Dec	5,590	(5,970)	18.1	(20.7)	5.75	(5.75)
Jerome, S.	Dec	586	(417)	7.6	(4.7)	2.82	(2.69)
Lec Refrigeration	Dec	3,350	(5,040)	36.4	(61.7)	12.5	(12.5)
Lon & Cont Adv	Dec	1,620	(579)	—	(—)	1.6	(0.75)
Lowe, Robert	Oct	642L	(835)L	—	(—)	—	(—)
Macfar (Clans)	Dec	3,010	(2,520)	12.8	(13.1)	2.48	(2.2)
Molins	Dec	6,000	(7,100)	—	(—)	7.9	(7.9)
M.Y. Dart	Dec	301	(272)	1.6	(1.4)	0.75	(0.75)
Neill, James	Dec	3,630	(733)	16.8	(2.6)	4.75	(2.0)
Pearl Ass	Dec†	14,550	(16,790)	—	(—)	36.0	(33.0)
Peck Hldgs	Dec	7	(32)L	—	(—)	—	(—)
Pres Enter	Dec	869	(229)	4.5	(—)	—	(—)
Provincial Ins	Dec	3,690	(7,340)	24.8	(47.2)	23.0	(21.5)
Riley Leisure	Dec	1,230L	(2,540)	—	(11.4)	0.7	(4.2)
Ruberoid	Dec	6,600	(5,550)	24.7	(23.0)	7.8	(7.1)
Sharna Ware	Dec	105	(806)	2.6	(11.6)	2.45	(2.45)
Solex	Dec	388	(364)	5.6	(5.2)	4.3	(4.3)
Sparrow, G. W.	Dec	284	(1,350)	—	(—)	0.25	(1.25)
Stanley, A. G.	Dec	1,780	(596)	3.5	(1.7)	2.5	(1.5)
Steel Burrill	Dec	3,050	(1,300)	18.0	(6.3)	7.5	(—)
Sunleigh Elect	Dec	402	(179)	0.5	(1.1)	0.25	(0.25)

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
Arenson Group	Feb	60	(79)L	—	(—)
Dewding & Mills	Dec	1,780	(1,240)	1.05	(0.95)
Druck Hldgs	Dec	712	(557)	1.5	(1.3)
Ferry Pickering	Dec	852	(751)	1.1	(1.0)
Fisher, Albert	Feb	1,480	(411)	0.66	(0.33)
Floyd Oil Part	Dec	661	(165)	—	(—)
Jayplant	Nov	66	(54)	—	(—)
Lon & Prov Shop	Dec	1,110	(905)	2.0	(1.0)
Martonair Intl	Jan	2,650	(2,037)	2.2	(2.0)
Rivlin, I. D. & S.	Oct	42L	(13)	—	(—)
Smiths Indl	Feb	20,180	(14,630)	1.5	(1.19)
Young, H.	Jan‡	313	(30)	1.05	(—)

(Figures in parentheses are for the corresponding period.)

* Dividends are shown net pence per share except where otherwise indicated. † *Profit after tax.* ‡ *Figures for eight months.* L Loss.

Rights Issues

Rivlin, I. D. & S.—Rights issue of 508,297 shares on a one for eight basis.

Saatchi & Saatchi—To raise £99m through a rights issue of five conv *pref shares of £1 for every two ordinary shares held.*

Offers for sale, placings and introductions

Asda Property Holdings—Offer for sale of 3.15m shares at 172p per share.

Public Works Loan Board rates

Effective April 11

Years	Quota loans repaid by EIP†	Quota loans repaid A‡	Quota loans repaid at maturity§	Non-quota loans A* repaid by EIP†	Non-quota loans A* A‡	Non-quota loans A* repaid at maturity§
1	—	—	12¼	—	—	12⅞
Over 1, up to 2	12	12	11⅞	13	13	12⅞
Over 2, up to 3	12	12	11⅞	13	13	12⅝
Over 3, up to 4	11⅞	11⅞	11⅞	12⅞	12⅞	12⅝
Over 4, up to 5	11¾	11⅞	11⅝	12⅞	12⅞	12½
Over 5, up to 6	11⅝	11¾	11⅝	12¾	12⅝	12½
Over 6, up to 7	11⅝	11⅝	11⅝	12⅝	12⅝	12⅜
Over 7, up to 8	11½	11⅝	11⅝	12½	12½	12⅜
Over 8, up to 9	11⅝	11⅝	11⅜	12½	12⅜	12¼
Over 9, up to 10	11⅜	11½	11⅜	12½	12⅜	12¼
Over 10, up to 15	11⅜	11¼	11¼	12⅜	12¼	11⅞
Over 15, up to 25	11¼	11	10⅞	11⅞	11¾	11⅝
Over 25	11	10⅞	10⅞	11½	11½	11½

* Non-quota loans B are 1 per cent higher in each case than non-quota loans A. † Equal instalments of principal. ‡ Repayment by half-yearly annuity (fixed equal half-yearly payments to include principal and interest). § With half-yearly payments of interest only.

Aid agreed for Banco Urquijo Union

By David White in Madrid

SPAIN'S main private banks are to assume the major share of a Pta 50.6bn ($290m) support package for Banco Urquijo Union, the troubled industrial banking arm of the Hispano Americano group.

The rescue plan, announced after negotiations between Banco Hispano Americano—the country's third largest bank—and Bank of Spain, means that the commercial banking system will have to increase its contribution to the bank "lifeboat" body, the Deposit Guarantee Fund.

The fund, the resources of which are provided half by Bank of Spain and half by the commercial banks, is committed to buying up Pta 25.6bn worth of unprofitable assets—shareholdings and credits—from Banco Urquijo Union.

As part of the agreement, which has received the go-ahead from Sr Miguel Boyer, Economy and Finance Minister, it is proposed that banks should in future raise their contributions to the fund from 0.1 per cent to 0.12 per cent of their total liabilities.

In addition, the other "Big Seven" banks are to buy Pta 15bn worth of assets, and Hispano Americano itself Pta 10bn worth.

The aid package comes after Hispano Americano was forced to omit dividends and to set its entire 1984 trading profit of Pta 25bn aside in provisions, mainly for the industrial banking offshoot.

Banco Urquijo Union is the *result of amerger last year of* two banks taken over by His*pano Americano since 1982*—Banco Union and Banco *Urquijo*. Both takeovers were carried out with Bank of Spain *aid*, but *it became clear* late last year that the targets of the *recovery programme* could not be met.

Sr Claudio Boada, the new Hispano Americano chairman put in to negotiate the latest rescue, said that Banco Urquijo's problems were now "definitively solved." But he refused to say if Hispano Americano would resume dividends for 1985.

West Germans open bond sector to foreign managers

BY JOHN DAVIES IN FRANKFURT

WEST GERMANY is further *liberalising its capital markets* by allowing subsidiaries of *foreign banks to lead-manage* foreign D-mark bond issues from *May 1*—but Japanese banks will be excluded until Japan takes further steps to open up its own financial markets.

Under *the new arrangements* the Bundesbank, the West German central bank, is also dropping its longstanding oppo*sition to some* Euromarket instruments, such as floating *rate notes. It remains opposed*, however, to the issue of D-mark certificates of deposit.

Until now, West German banks have had a solid grip on the lucrative business of organising the issue of D-mark bonds on behalf of foreign borrowers. The amount raised in this market has risen rapidly to more than *DM* 19bn ($6.17bn) last year, compared with *DM 5.7bn* in 1981.

The "calendar" of issues has so far been *arranged* through a capital markets sub*committee on which six lead*ing banks have been repre*sented. In what is presumed* to be its final meeting, this *body yesterday* set a programme of foreign D-mark issues totalling *DM* 1.75bn to the end of this month.

In opening up *the market*, the Bundesbank has not specifically discriminated against Japan. In gentlemanly but firm language, it indicates that foreign banks can lead-manage issues only if West German banks have the same rights in those foreign countries.

In Frankfurt banking circles this is clearly understood to exclude Japan. An executive of *Nikko Securities in Frankfurt* said he believed that Japan's *exclusion was unfair* but he was optimistic that it would be lifted *within a couple of months.*

The right to lead-manage foreign D-mark bonds applies to foreign banks which have an independent legal entity *in* West Germany. This means that banks which only have branches, such as Bank of *America and some French* banks, must change their legal *status*—a process which could take perhaps three to six months—before qualifying.

Lead-managers are to report their issue plans to the Bundesbank, which intends to keep its close supervision of the market. The central bank is expected to continue to seek to influence events on occasion by asking for co-operation.

The Bundesbank has indicated that it wants foreign banks to organise and follow-through their operations within West Germany rather than largely organising from abroad a temporary flurry of activity.

The new arrangements apply *to issues with a five-year period* for public borrowers and three years for private placements.

Keppel Shipyard plunges S$174m into red for year

BY OUR FINANCIAL STAFF

KEPPEL SHIPYARD, the Singapore Government - controlled shiprepair group, slid into loss last year, largely as a result of the burden incurred in its acquisition of Straits Steamship the shipping and energy services company.

Mr Sim Kee Boon, Keppel's chairman, said the group was trimming operations to cut costs and seeking ventures outside Singapore. "We shall return to profitability in two years," he forecast.

Attributable loss reached S$173.87m (US$78.51m) in 1984, compared with a S$80.04m profit the previous year.

Turnover grew from S$666.90m to S$807.97m, and at *the operating level the position* improved, showing profits of *S$78.1m against S$35.1m. But* a revaluation of vessels and other *fixed assets brought* a S$139m extraordinary charge.

The annual report said: "Under present market conditions, the directors do not expect an improvement of the group's operating results in 1985." Keppel cut its dividend to 7.5 cents gross from 13.5 cents, less severe a reduction than some analysts had feared.

Mr Sim highlighted the interest payments drain which resulted from the Straits Steamship purchase at the end of 1983.

Straits Steamship itself, which has been labouring under a decline in its cruising business as well as high interest rates, yesterday reported a widening in its own losses, from a net S$13.97m to S$28.81m for 1984. This included extraordinary charges of S$5.75m, against S$5.45m. Turnover was down to S$226.43m, from S$265.28m.

At the same time, Far East Levingston Shipbuilding, Keppel's rig construction subsidiary, lifted full-year net earnings to S$23.29m, compared with S$17.91m. This was despite a fall in sales from S$193.35m to S$150.63m, and a S$6.72m extraordinary debit for 1984.

Bond pulls out of Arnotts takeover move

By Gordon Cramb

BOND CORPORATION of Perth has ended its A$435m (U.S.$292m) takeover attempt for Arnott's Australia's leading biscuit maker, and has sold its stake at a profit of about A$6m.

Bond said yesterday it had sold its holding to Myetime and Sydpot Nominees—two companies believed to have been nominated by the Arnotts board—and would end its legal challenge to a defence move by Arnotts made in the course of the bitterly contested three-week bid.

Within days of the offer being launched, Arnotts placed a parcel of shares with Campbell Soup of the U.S., raising its stake to some 10 per cent.

The placing was made at A$4 a share, compared with *the* A$4.20 orginally offered by Bond, and the A$4.50 which it was prepared to pay once it had gained *90* per cent acceptances. The selling price announced yesterday was A$4.90 a share.

Brazilian writedown hits First Chicago

BY OUR FINANCIAL STAFF

FIRST CHICAGO, holding company for the eighth largest U.S. bank, has suffered a 23 per cent fall in first-quarter net earnings, due principally to a $15.8m writedown of its investment in a Brazilian affiliate.

Net earnings dropped from $49.8m *or 97 cents a share in* the 1984 quarter to $38.3m or *65 cents. Assets at the end of* the quarter were $40.6bn, up *from* $35.9bn a year earlier, while loans were up from $22.2bn *to* $25.6bn.

The bank said the problems *experienced by its Brazilian* affiliate were "entirely separate *from First Chicago's direct loan* exposure to Brazil of approxi*mately $860m.*" The affiliate, Banco Denasa de Investimento, is 44.5 per cent owned by the U.S. bank.

The first-quarter loan loss provision rose to $80m from $60m in the fourth quarter of 1984, and compares with a $308m provision in the third-quarter caused by a number of loans in the energy, agricultural and shipping sectors.

Mr Barry Sullivan, chairman and chief executive, said the banks basic earnings power was *strong in the first quarter.* Net interest income rose to $258.5m *from $207.7m.*

Charge-offs on the consumer loan *side* rose from $6.5m to $20m following rapid growth in *the credit card portfolio,* which will slow somewhat as the year continues.

Total non-performing loans in the first quarter grew to $768m from $758m at December 31. Charge-offs were $65.3m, up from $46.2m in the final quarter of 1984.

Dispute over GM-Toyota deal settled out-of-court

BY OUR FINANCIAL STAFF

CHRYSLER, the third biggest U.S. carmaker, has reached an out-of-court settlement with General Motors and Toyota in its lawsuit objecting to the two companies' trend-setting joint venture to build small cars in Fremont, California.

Chrysler has objected to the deal since it was announced in 1983, on grounds that it would reduce competition in the U.S. *market.* GM and Toyota had filed legal motions to try to pre*vent Chrysler from pursuing its* action. They were backed by the U.S. *Justice Department*, but last May a Federal judge *ruled against the dismissal of* the action.

Under this week's agreement, the joint venture will continue to be for a minimum of 12 years, but the period of "active co-operation" between GM and Toyota will be reduced from 12 to eight years.

GM has also agreed to buy no more than 250,000 of the subcompact cars to be produced annually by the plant during the 12 years, and has further agreed not *to buy additional* cars of the same type directly *from Toyota for sale in the U.S.* or Canada during that time.

Chrysler said GM and Toyota had agreed that "as the Fre*mont venture developed, experi*ence demonstrated that the *original 12-year learning period* could be reduced to eight and *still provide them the learning* both sought."

Strong dollar and sales boost lift UCB profits

BY IVO DAWNAY IN BRUSSELS

THE STRONG DOLLAR and improved sales have lifted net profits for UCB, the Belgian pharmaceutical, chemical and films group, from BFr 971m ($15.3m) in 1983 to BFr 1.36bn last year—a rise of 40 per cent.

The net final dividend of BFr 115 makes the total dividend BFr 175 for the year, compared to BFr 160 in 1983. For shares issued during a period of fiscal incentives offered by the Belgian Government to encourage investment, the final dividend of BFr 221 gives a *total BFr 336 per share for the* year.

*The result reflects improve*ments in sales for all three *sectors during the year. Profits* after tax, but before exceptional items, rose 18 per cent in 1984 to BFr 1.32bn against BFr 1.12bn last time.

Total sales were BFr 30.89bn, 6 per cent up on the BFr 29.26bn in 1983. The strongest rise came in the pharmaceutical sector, up 9 per cent, while chemical sales moved up 6 per cent despite the closure of the group's Benzol unit at the beginning of the year.

The fall in the value of sterling held back film sales, though these too advanced 4 per cent.

The board attributed the improvement to "a very favourable *economic* climate and excellent business conditions." *The stronger dollar had helped* boost exports.

Milan group aims to bring new companies to bourse

BY ALAN FRIEDMAN IN MILAN

EUROMOBILIARE, the Milan-based investment banking group which is 30 per cent controlled by Sig Carlo de Benedetti, is joining forces with Olivetti, Pirelli, Paribas and others to form a new venture designed to take equity stakes in unquoted companies and eventually to bring them to the bourse.

Dr Alberto Milla, president of Euromobiliare, said the new company would have an initial capital orf L20bn ($10m). The aim of the new venture, which *will be formed this Wednesday*, is to purchase share participa*tions in medium-sized Italian* companies (with annual turnover of more than L50bn) nad then to bring them to the stock market within two or three years.

Goldsmith outlines Crown bid funding plans

BY OUR FINANCIAL STAFF

SIR JAMES GOLDSMITH, whose $42.50 a share bid for **Crown Zellerbach** has been rejected, will repay loans used to *take control of the forest pro*ducts company from funds *generated by Crown, or from* other sources including the sale *of Crown assets.*

GOSL Acquisitions, the com*pany through which Sir James* is making the offer, said in *proxy solicitation material that* it may buy up to 19m shares in *Crown, about 70 per cent of* the total, if Crown redeems *rights to shareholders designed* to prevent takeovers.

GOSL said it would need about $845m to buy 19m shares, *including expenses.* About $95m would come from General *Oriental* Investment Limited Partnership, which owns GOSL, and *about* $400m from placement of debt and equity securities of one or more of GOSL's parents.

A further $350m would come from an $850m loan being negotiated with a syndicate of commercial banks. Interest on the annual rate of 1 per cent over loan would be payable at an U.S. prime rate, and the banks will have a first security interest on all shares owned or acquired by GOSL.

● Partners of Colorado-based **Fox & Co**, the *13th largest U.S.* accounting firm, and Chicago-based *Alexander Grant & Co* have approved a merger from *May 1 which will* create the ninth biggest U.S. accounting group with expected 1985 revenue of $225m.

There had been speculation that the merger, which was originally announced earlier this year, might be delayed because of problems Grant is encountering from its audit of ESM Government Securities, the collapse of which indirectly sparked the Ohio savings bank crisis last month.

A former Grant partner has been accused by U.S. Federal authorities of taking $125,000 from three ESM officials to certify false financial statements.

● **Uniroyal**, the U.S. tyremaker for which investor Mr Carl Icahn is threatening to make a hostile tender offer, said it is willing to consider

Mr Joseph Flannery, chief *executive officer, said the com*pany had "received calls from *a great many [suitors] who are* interested in talking to us." He *added that in a call to Mr* Icahn earlier this week, he tried *to discourage him from making* a tender offer.

Mr Icahn has said he would offer $18 a share for more than 51 per cent of Uniroyal's shares, valuing the company at $610m. The tender offer would be contingent on the rejection by shareholders of anti-takeover proposals.

● **E. F. Hutton**, the Wall Street brokerage and investment bank, expects to report first-quarter per share earnings up between 50 and 80 per cent from the 52 cents earned in the year-ago period.

The expected increase is the result of substantially higher revenue from investment banking and brokerage commissions. Investment banking revenue was up about 40 per cent from a year earlier, buoyed by a "multi-million dollar" fee for advising Rockwell International on its $1.65bn acquisition of Allen-Bradley, the factory automation group.

In last year's first quarter, Hutton and *other securities* companies suffered from *depressed market conditions.*

● **Cox Communications**, the Atlanta-based broadcasting and cable TV group, said its board would take no position on the $75 a share cash tender for the company launched by the Cox family, which owns about 40 per cent of the shares.

The company said shareholders would have to decide for themselves on the bid, which values the group at $2.1bn.

WORLD STOCK MARKETS

WALL STREET

Advance runs out of steam

PRICES WERE stalled on Wall Street yesterday, as a two-day advance appeared to run out of steam.

By midday the Dow Jones Industrial Average was up 0.11 to 1,263.80, making a rise of 4.75 on the week, while the NYSE All Common index, at $104.50, rose 7 cents on the day and 79 cents on the week. Advances led declines by a narrow margin, while the volume totalled 55.62m shares.

Gary Ciminero, chief economist at Fleet Financial Group, expects the stock market to rebound this spring.

Although the advance may top record levels seen earlier in the year, he believes it will be "of modest size, not leaping in a straight line due *to* the large *number* of uncertainties including the dollar."

Ciminero said the Federal Reserve is "at or near the point of another downward notch in interest rates." He said the Fed might decide to act when it sees a definite agreement to reduce the budget deficit.

Trude Latimer, vice president at Evans and Company, observes that "it is the rumour stocks that seem to be most susceptible to interest. The traders aren't looking at the broad market they're looking at half a dozen rumour stocks."

Latimer notes that when any one of the rumour stocks appears to lose appeal another is pulled up from the background for speculation.

AMF, in which a million-share block was crossed at $20 yesterday morning, has been a perennial *favourite* for takeover talk *and is being watched again this* morning. The stock is up $1⅞ at $20¼ on NYSE-composite volume of more than 1.4m shares.

Integrated Resources, which were up $3¾ in heavy trading last week and up $4⅞ in the first four days of this week, rose another $2 to $26. "The rumours I'm hearing are about a leveraged buyout, or spinoffs, similar to the ITT-breakup-rumours," Latimer said.

In the Computer sector IBM put on $¾ to $127¼ and Data General $⅞ to $46⅞.

Among the stocks of companies targeted in takeover attempts Uniroyal improved $¾ to $20¼, Crown Zellerbach $⅛ to $43⅝ and Unocal $⅜ to $48⅜. CBS, the subject of considerable takeover speculation, advanced $4 to $104¼.

Control Data shed $¼ to $29⅞—it began a "significant reduction" of the workforce in its computer-peripheral products group Thursday.

THE AMERICAN SE Market Value index eased 0.49 to 230.23 in an all-time high for the second hour volume of 11.88m shares. The new volume record breaks the previous second hour record of 8.57m shares set on February 8, 1985.

Closing prices for North America were not available for this edition.

CANADA

Stock prices showed only movements at midsession but trading continued at its recent heavy pace.

The Toronto Composite index moved in an uninspired fashion throughout the morning and, at noon, it was off 0.5 at 2,630.0. Metals and Minerals lost 15.1 to 2,156.3, *Golds 31.4 to 3,876.9 and* Oil and Gas 5.1 to 3,516.9.

Banking stocks continued to firm after Thursday's round of prime rate cuts to 11 per cent *from 11½ per cent.*

Alcan further declined $1 to $33¼ on 90,999 shares—analysts say there is speculation the company's dividend may be cut.

TOKYO

Share prices rose in very active trading, led by late buying of recently-ignored Biotechnology-related and "lower-priced" shares.

The Nikkei Dow Jones average gained 14.21 to 12,588.01, after ending the morning easier and losing 28.13 Thursday. Turnover 540m (500m) shares.

Oils and Utilities firmed on the yen's upturn, but continued concern over international trade friction kept investors away from Blue Chips and selling spread across a broad front, including *Electronics.*

Cyclical buying in Biotechnology shares drove some leading Drugs up, after easing Thursday.

"*Lower-priced*" foods, which firmed against the trend Thursday, eased yesterday, but some involved in Biotechnology research gained on revived enthusiasm.

The S.E. index shed 0.74 to 981.52. Volume 10m (same) shares.

The recent overall lack of *fresh factors, plus concern over* export-directed shares and a tendency toward cautious bargain hunting boosted domestic-orientated issues earlier this week.

AUSTRALIA

Share markets closed steady, in a day highlighted by profit-taking.

The All Ordinaries index rose 0.7 to a record 864.0 but finished about 5 points below its day's high set in the first 30 minutes of trading. The Gold index advanced 39.9 to 929.8, All Industrials 1.5 to 1,202.8 and All Resources 0.2 to 598.4.

Analysts said markets became overheated in the past few days but currency factors and improving commodity prices will see further rises next week.

National turnover 102.76m (100.69m) shares. Rises outpaced falls by a majority of two-to-one.

Overseas investors continued heavy buying of Resource stocks, which remain a good investment owing to *favourable* exchange rates.

Markets opened firmly due to the overnight weakening of the U.S. dollar, higher commodity prices and *an unexpected fall in* U.S. March retail figures. Profit-taking emerged well before the midsession break, when the All Ordinaries index neared 870.

Industrials were mixed with a poor short-term outlook based on higher domestic interest rates.

Contributing to the decline in Oil and Gas shares—index down 4.7 at 681.6—*was* a report *from* BHP of another unsuccessful exploration well in the Timor Sea.

PARIS

French shares rose in active trading, although a late round of profit-taking brought the market off its best *intraday* levels.

Foreign buying, Wall Street's advance and a strong Automobile sector set the market off at a brisk pace in the early going, Leaving most stocks *sharply* higher at midsession. The early gains were cut somewhat toward the close, However, when investors began taking profits. Brokers attributed the selling to news that French retail price growth accelerated to a 0.7 per cent monthly rate in March from 0.5 per cent in February.

Advancing issues led declines 101-to-62, with 15 issues unchanged.

GERMANY

Most share prices ended mixed, little changed *from* early indications, as investors chose to move into selected sectors such as Banks, *heartened* by an outlook for softer interest rates.

Turnover fell somewhat as the session progressed and little foreign interest was in evidence.

Deutsche Bank finished DM 11.20 higher at 463.70, while Dresdner rose DM 3.10 to 195.40 and Commerzbank DM 2.20 at 166.

In Motors, values ended sharply mixed. Porsche regained DM 25 to 1,200, while Daimler were down DM 4.40 at 683.50.

HONG KONG

Higher in brisk trading as a bullish mood prevailed. The market was at its highest level in four years and the Hang Seng index rose 8.79 to 1,492.18. Turnover $HK423.44m ($HK315.04m).

The advance was broad based, brokers said, adding that Property stocks were actively traded *ahead of Thursday's* Government land auction.

One broker explained that Friday's active trading was partially due to heavy profit-taking on third *line stocks. He added* that continuing, unconfirmed rumours about a takeover bid for Jardine Matheson, unchanged at $HK11.0, also stimulated the *market.*

CANADA

Stock	Apr. 11	Apr. 10
AMCA-Intl	15	14½
Abitibi	50½	51
Agnico Eagle	17¾	17½
Alberta Energy	21½	21⅛
Alcan Aluminium	34½	35¼
Algoma Steel	23¾	23¾
Argen Inc	20	19¾
Bank Montreal	26½	26¼
Bank NovaScotia	12⅝	12¼
BCE	38¾	38⅞
Bombardier A.	26½	26½
Bow Valley	17⅛	17½
BP Canada Res	35⅝	34½
Brascan A	34⅝	34¾
Brinco	2.05	2.10
B.C. Forest	8⅞	8¾
CIL Inc	28⅝	28¼
CadillacFairview	15⅛	15¼
Cambell Red Lk.	30¾	30
Can. Cement Pt.	10½	10⅝
Can. NW Energy	24	24
Can. Packers	29¾	29¾
Can. Trustco	33	33
Can. Imp. Bank	29⅛	29
Can. Pacific	59⅝	59⅝
Can Pac. Ents.	27¾	27¾
Can. Tire C	8⅛	8¼
Canfor	8⅝	8⅝
Carling O'Kfe	14⅞	14¾
Chieftain	14⅛	14¼
Cominco	15¼	15½
Conigas Mines	7⅛	7⅛
Cons. Bathst. A.	16⅝	16¾
Copper Lake	1.10	1.00
Coremark Int.	6⅞	6⅝
Costain	8⅞	8⅞
Denison Mines A	12½	12¾
Dofasco.A.	26⅜	26⅝
Dome Mines	13¼	13⅛
Dome Petroleum	3.15	3.30
Domtar	36⅞	36¾
Falconbridge	104⅝	104
Fed. Inds A	20	20
Grendis A	27¼	27¾
Genstar	28⅝	28¾
Giant Y'knife	16¼	16¼
Gt. West Life	330	330
Gulf Canada	19¼	19⅝
Hawker Sid.Can.	21	20½
Hudson's Bay	15¾	15⅝
Husky Oil	11	11
Imasco	25½	25¼
Imperial Oil A	54	54¾
Inco	19¼	19¼
Indal	13⅛	12⅝
Interprov. Pipe	35⅞	35⅝
Labatt (John)	23¾	23⅝
Lac Minerals	35	33⅞
Loblaw	17¾	18
Macmil. Bloedel.	25½	25⅝
Marks & Spencer	6⅝	6⅝
Massey Ferguson	2.95	2.85
McIntyre Mines	52½	52⅝
Mitel Corpn.	9	9
Molson A	16	16
Moore Corp.	22¾	68¾
Nat. Sea Prods A	6¾	7
Noranda Inc.	18⅝	18⅛
Norcen Energy	17	16⅞
Nth. Telecom	48⅝	48⅞
Nova Alberta	6⅛	6⅛
Numac Oil & Gas	14½	14¼
Oakwood Pet.	7⅛	7
Pan Can Pet	33	33¾
Placer Dev.	27¼	26⅝
Power Corp.	31⅛	31½
Quebec Sturgeon	4.60	4.55
Ranger Oil	5¼	5⅝
Reed. St'house A	21⅛	21
Rio Algom	25⅛	24¾
Royal Bank Can.	29	28½
Royal Trust A.	19¼	19
Sceptre Res	7	6½
Seagram	54⅝	53¾
Sears Can. Inc.	7⅝	7¼
Shell Can. A.	28½	28½
Stelco A	20½	20½
Teck B	14⅛	13½
Texaco Canada	35¾	35½
ThomsonNews.A	57	56½
Toronto Dom. Bk	19⅝	19¼
Trantsala A	26⅛	25⅜
Trans.Can. Pipe.	24½	24¾
Walker Hiram	29⅛	29
W. coast Trans.	16	16
Weston (Geo.)	76	? 4¾

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar eases

The dollar ended the week on a softer note in currency markets yesterday. A rise in U.S. M1 money supply failed to provide any impetus while the very small rise in U.S. producer prices was also influenced to turn market sentiment. The dollar did finish above the day's lows but still closed at its worst level since last November against the D-mark at DM 3.0510 compared with Thursday's close of DM 3.0765. Elsewhere it dipped to Y250.85 from Y251.90, SwFr 2.5655 from SwFr 2.5990 and FFr 9.3150 compared with FFr 9.3950. On Bank of England figures, the dollars' index fell from 146.0 to 145.8.

Sterling benefited from the dollar's decline, having recovered from a temporary setback following a cut in two clearing banks' base rates to 12¾ per cent. The pound's exchange rate index closed at 78.4 up from a low touched in the morning of 78.1 and Thursday's closing level of 78.2. Against the dollar it rose 90 points to finish at $1.2565-1.2575. It was also higher against the D-mark at DM 3.8450 from DM 3.8375. It was easier in terms of the Swiss franc however at SwFr 3.2250 from SwFr 3.2450 and FFr 11.7050 compared with FFr 11.7250.

£ in New York

	April 12	prev. close
£ Spot	$1.2540-1.2565	$1.2660-1.2560
1 month	0.45-0.42pm	0.45-0.42pm
3 months	1.18-1.14pm	1.17-1.14pm
12 months	2.35-2.20pm	2.15-2.05pm

Forward premiums and discounts apply to the U.S. Dollar.

STERLING EXCHANGE RATE INDEX

	April 12	Previous
8.30 am	78.5	77.5
9.00 am	78.5	77.6
10.00 am	78.5	77.8
11.00 am	78.3	77.8
Noon	78.4	77.8
1.00 pm	78.5	77.7
2.00 pm	78.4	78.0
3.00 pm	78.3	78.2
4.00 pm	78.4	78.2

UK clearing banks base lending rate 12¾-13 per cent since April 12

POUND SPOT—FORWARD AGAINST POUND

April 12	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.2460-1.2610	1.2565-1.2575	0.44-0.41c pm	4.06	1.18-1.13pm	3.68
Canada	1.7024-1.7200	1.7575-1.7125	0.40-0.32c pm	2.53	1.15-1.03pm	2.55
Nethlnd.	4.31¾-4.35½	4.33½-4.34½	2¼-2c pm	5.88	6½-5⅞ pm	5.53
Belgium	76.91-77.68	77.36-77.46	22-17c pm	3.02	56-47pm	2.66
Denmark	13.61¼-13.84¼	13.76¾-13.77¾	2½-2¼ore pm	2.07	10-8¾pm	2.67
Ireland	1.2226-1.2308	1.2270-1.2280	0.06ppm-0.11dis	−0.29	.20pm-.22ds	−.03
W. Ger.	3.81¾-3.85	3.84-3.86	2½-2¼pf pm	7.22	6¼-6¼ pm	6.44
Portugal	212-219½	214-218	170-555c dis	−20.14	540-1550ds	−19.35
Spain	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	−1.12
Italy	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	−1.55
Norway	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	−0.05
France	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	1.88
Sweden	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	−0.72
Japan	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	6.10
Austria	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	5.21
Switz.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	6.98

Belgian rate is for convertible francs. Financial franc 77.95-78.05. Six-month forward dollar 1.88-1.83c pm. 12-month 2.30-2.15c pm.

DOLLAR SPOT—FORWARD AGAINST DOLLAR

April 12	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	3.68
Ireland†	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	3.71
Canada	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	−1.14
Nethlnd.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	1.84
Belgium	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	−1.04
Denmark	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	−1.00
W. Ger.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	2.76
Portugal	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	−23.26
Spain	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	−4.68
Italy	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	−5.44
Norway	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	−3.62
France	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	−1.80
Sweden	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	−4.59
Japan	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	2.51
Austria	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	1.58
Switz.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	3.31

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 62.00-62.10.

OTHER CURRENCIES

Apr. 12	£	$		£ Note Rates
Argentina Peso	465.52-466.28	372.87-373.17	Austria	26.75-27.00
Australia Dollar	1.8600-1.8640	1.4875-1.4900	Belgium	77.15-77.90
Brazil Cruzeiro	5,781-5,810	4,630-4,650	Denmark	13.69-13.83
Finland Markka	8.0155-8.0410	6.4145-6.4165	France	11.65-11.76
Greek Drachma	165.48-169.49	131.67-134.83	Germany	3.81¼-3.84¼
Hong Kong Dollar	9.7000-9.7200	7.7880-7.7900	Italy	2435-2470
Iran Rial	113.60*	93.50*	Japan	314-319
[illegible]	[illegible]	[illegible]	Netherlands	[illegible]
[illegible]	[illegible]	[illegible]	Norway	[illegible]
[illegible]	[illegible]	[illegible]	Portugal	[illegible]
[illegible]	[illegible]	[illegible]	Spain	[illegible]
[illegible]	[illegible]	[illegible]	Sweden	[illegible]
[illegible]	[illegible]	[illegible]	Switzerland	[illegible]
[illegible]	[illegible]	[illegible]	United States	[illegible]
[illegible]	[illegible]	[illegible]	Yugoslavia	[illegible]

* Selling rate.

EXCHANGE CROSS RATES

April 12	Pound Sterling	U.S. Dollar	Deutschem'k	J'panese Yen	French Franc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

MONEY MARKETS

Rates fall

Yesterday's leap-frogging movement by Barclays and Midland Bank, cutting their base rates to 12¾ per cent from 13¼ per cent, left the Bank of England in a rather unenviable position. While lower base rates would be favourable, the authorities were worried that the market's bullish sentiment would reduce rates too far too fast. In an attempt to convey this point, offical dealing rates on eligible paper were left unchanged and discount houses were obliged to borrow seven-day money at a rate above market levels.

The Bank's actions may yet prove to be effective and at the same time not punitive since next week promises some sizeable credit shortages, especially on Monday, while houses will be reluctant to part with paper outright unless the Bank reduces its dealing rates. This it may do, according to market sources, as long as the two remaining major clearing banks reduce their base rates from 13 per cent to a uniform 12¾ per cent.

Three-month interbank money was quoted at 12¾-12⅝ per cent but fell to 12⅜-12½ per cent at one point before finishing at 12⅞-12¾ per cent compared with 12⅞-12⅞ per cent. Three-month eligible bank bills were bid at 12½ per cent from 12¼ per cent.

The Bank forecast a shortage of around £650m with factors affecting the market including maturing assistance and a take up of Treasury bills together draining £397m and the unwinding of previous sale and repurchase agreements a further £106m. There was also a rise in the note circulation of £190m, partly offset by banks' balances brought forward £60m above target.

An early round of help was offered by the authorities but there was no early business done. The shortage was revised to £750m and the Bank gave help in the morning of £28m through sale and repurchase agreements at 12⅞ per cent, unwinding on May 8, 9 and 10. In the afternoon the shortage was revised again to £700m before taking into account the early help and the Bank gave additional assistance in the afternoon totalling £467m. This comprised purchases of £40m of eligible bank bills in band 1 (up to 14 days) at 12⅞ per cent, £424m in band 2 (15-33 days) at 12⅞ per cent, and £3m in band 3 (34-63 days) at 12⅞ per cent. It also lent £209m to discount houses at 13¼ per cent, repayable in seven days. Total help came to £704m.

LONDON MONEY RATES

Apr. 12 1985	Sterling Certificate of deposit	Interbank	Local Authority deposits	Company Deposits	Market Deposits	Treasury (Buy)	Treasury (Sell)	Eligible Bank (Buy)	Eligible Bank (Sell)	Fine Trade (Buy)
Overnight	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

	Local Auth. negotiable bonds	Local Authority Deposits	Finance House Deposits	$ Cert of Deposit	SDR Linked Deposits	ECU Linked Deposits
One month	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

ECGD Fixed Rate Export Finance IV: Average Rate of Interest period March 6 to April 2 (inclusive): 13.818 per cent. Local authorities and finance houses seven days' notice, others seven days' fixed. Finance Houses Base Rate (published by the Finance Houses Association): 14 per cent from April 1, 1985. London and Scottish Clearing Bank Rates for lending 12¾-13 per cent. London Deposit Rates for sums at seven days' notice 7-7½ per cent (net). Treasury Bills: Average tender rates of discount 11.8926 per cent. Certificates of Tax Deposit (Series 6): Deposits £100,000 and over held under one month 13¼ per cent; one-three months 13 per cent; three-six months 12¾ per cent; six-nine months 12¼ per cent; nine-12 months 12 per cent. Under £100,000 11½ per cent from April 12. Deposits held under Series 5 12 per cent. The rate for all deposits withdrawn for cash 8 per cent.

FT LONDON INTERBANK FIXING

(11.00 a.m. April 12)

Three months U.S. dollars

bid 8 [illegible] | offer 8 [illegible]

Six months U.S. dollars

bid 9 1/16 | offer 9 5/16

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Apr. 12	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	D-mark	French Franc	Italian Lira	Belgian Franc Conv.	Belgian Franc Fin.	Yen	Danish Krone
Short-term	13⅛-13⅜	8⅜-8⅛	9⅝-10⅛	6⅞-7	2-2¼	5⅜-5⅛	10⅜-10⅛	13-14	10-10¼	10-10¼	6 1/16-6⅛	10½-11
7 day's notice	13-13¼	8 9/16-8 11/16	9⅝-10⅛	6⅞-7	2-2¼	5 7/16-5 9/16	10⅜-10⅛	13¾-14⅛	10-10¼	10-10¼	6 1/16-6⅛	10⅝-11
Month	12⅞-13⅛	8 9/16-8 11/16	9 15/16-10	6⅞-7	5⅛-5¼	5 13/16-5 15/16	10 7/16-10 9/16	13⅝-14⅛	9⅞-10⅛	9¾-10	6⅛-6 3/16	10⅜-10⅝
Three months	12⅝-12¾	8 13/16-8 15/16	9 15/16-10	6⅞-7	5 5/16-5 7/16	5⅞-6	10⅝-10¾	14-14½	9⅞-10⅛	9⅞-10⅛	6¼-6 5/16	10⅜-10⅝
Six months	12¼-12⅜	9-9⅛	9 15/16-10⅛	6⅞-7	5 5/16-5 7/16	6-6⅛	10⅞-11	14⅜-14¾	9⅞-10⅛	10⅛-10⅜	6 5/16-6 7/16	10¼-10½
One year	11⅞-12	9 7/16-9 9/16	10 1/16-10 3/16	6⅞-7	5⅜-5½	6 5/16-6 7/16	11⅜-11½	14⅝-15⅛	10¼-10½	10¼-10½	6 5/16-6 7/16	10⅝-10⅞

Asian $ (closing rates in Singapore): Short-term 8⅜-8⅝ per cent; seven days 8⅝-8⅝ per cent; one month 8⅝-8¾ per cent; three months 8¾-8⅞ per cent; six months 9-9⅛ per cent; one year 9⅝-9¾ per cent. Long-term Eurodollars: two years 10⅝-10¾ per cent; three years 11⅛-11¼ per cent; four years 11⅝-11¾ per cent; five years 11⅝-11⅞ per cent nominal. Short-term rates are call for U.S. dollars and Japanese yen, others two days' notice.

COMMODITIES AND AGRICULTURE

WEEKLY PRICE CHANGES

	Latest prices per tonne unless stated	Ch'nge on week	Year ago	1984-85 High	1984-85 Low
METALS					
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sisal No. 3L	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sugar (Raw)	$108xu	+3.0	£110.5	$194	$93
Tea (quality) kilo	‡	—	282p	375p	267p
(low med) kilo	158p	—	220p	280p	158p
Wooltops 64s Super	475p kilo	−13	470p kilo	526p kilo	475p kilo

‡ Unquoted. (g) Madagascar. (x) April. (y) April-May. (z) March-April. (u) May. (v) May-June. (w) July. (t) Sept.

REVIEW OF THE WEEK

Copper prices higher despite £ strength

BY OUR COMMODITIES STAFF

COPPER PRICES ended higher on the London Metal Exchange (LME) this week despite being trimmed back sharply because of sterling's renewed strength.

A £37.50 rise on Tuesday lifted the cash quotation to £1,226.50 a tonne but by yesterday's close the rise had been reduced to £10.50 at £1,199.50 a tonne.

Monday's advance was attributed to follow-through from a strong New York market while London was closed for Easter Monday together with deepening fears about a possible scarcity of supplies available for nearby delivery developing in the next few months. Concern about this resulted in the elimination of the cash discount against the three months position which ended last week at £23.75 a tonne.

LME warehouse stocks of copper fell 2,875 tonnes last week to 113,300 tonnes — a rather smaller fall than had been estimated by some traders. The stocks total has now fallen around 220,000 tonnes in the space of a year to the lowest level since September 1974.

Other LME metals generally ended quite sharply down on the week under the influence of sterling's rise.

Depsite rising £16 on Tuesday, because of a U.S. producer price rise and a threatened squeeze on nearby supplies, cash lead ended the week £22.50 down at £310 a tonne.

Cash zinc finished the week £21 lower at £723 a tonne. There were reports that shipments to Europe by U.S. producers were relieving the recent nearby supply shortage, which had pushed the cash price to a premium over the three months position. On Thursday cash zinc closed at a £4.50 discount but yesterday the premium was re-established at £11.50 a tonne, suggesting that the supply worries had not been totally eliminated.

LME zinc stocks were up 3,350 tonnes last week to 36,275 tonnes but this had already been anticipated in last Friday's £57 cash price decline.

A 46,000 tonnes fall to 4.377m tonnes in end-February non-commmunist world aluminium stocks, announced by the International Primary Aluminium Institute on Wednesday, was seen as mildly bearish as it was in line with most traders' expectations and smaller than some had hoped for. The LME cash aluminium price ended £26.25 down on the week at £884.50 a tonne.

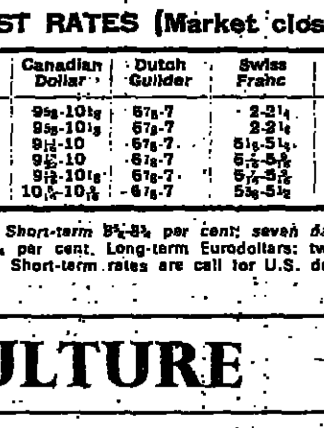
Fears of a squeeze on nearby suplies developing next month kept London cocoa futures prices relatively steady in spite of the downward pressure from the pound's strength. Dealers said they were concerned that a big open position on the New York market might attract supplies away from London.

July delivery cocoa futures ended the week £10.50 down at £1,935 a tonne after rallying by £12 yesterday on increased manufacturer buying interest.

n the contrast the coffee futures market, lacking bullish factors to support it, felt the full force of the currency factor. The July position ended £100 down at £2,131 a tonne taking the fall since mid-March to £300 a tonne—almost entirely due to sterling's recovery against the dollar.

Producer members of the International Coffee Agreement held talks in London this week ahead of next week's full Council session, which will deal with exports to non-members. Consuming country members want non-member sales reduced and a lower discount on the price paid against that charged to members.

Rubber prices moved a little higher, defying the currency effect. Concern about the effects of a severe winter in Malaysia helped lift the RSS No 1 spot price on the London physical market by 1.5p to 67p a kilo.



OIL

Brent oil prices for forward delivery recovered from Thursday night's late fall in the U.S. in very thin trading. Most efforts concentrated on unravelling "daisy chains" on the last day of April trading and defaults are rumoured. By noon EST Nymex was trading 12c down. Within the petroleum products market, gas oil was very quiet with participants sorting out operational problems of 1-15 April deals. This quietness was exacerbated by uncertainty over market direction—Petroleum Argus London.

SPOT PRICES

	Latest	Change + or —
CRUDE OIL—FOB ($ per barrel)— April		
Arab Light	*27.65-27.75	—
Arab Heavy	*26.40-26.45	—
Dubai	*26.75-26.85	−0.025
Brent Blend	*27.95-28.05	−0.05
*Forties	28.00-28.20	—
W.T.I. (1pm est)	*28.85-28.95	−0.275
Forcados (Nigeria)	*28.10-28.20	−0.05
Urals (cif NWE)	27.60-27.75	—
PRODUCTS—North West Europe Prompt delivery cif ($ per tonne)		
Premium gasoline	286-287	+1.0
Gas Oil	229-230	—
Heavy fuel oil	162-165	—

* May

Petroleum Argus estimates

GAS OIL FUTURES

Month	Yest'day's Close	+ or —	Business Done
	$ U.S. per tonne		
April	225.50-29.75	−1.00	229.75-28.50
May	226.50-26.75	−1.00	228.75-24.50
June	223.25-23.50	−1.50	226.50-22.50
July	223.25-23.55	−1.125	223.25-22.50
Aug	224.50-26.25	−1.025	226.00
Sep	225.00-28.75	−1.875	227.00
Oct	51.75	—	—

GOLD

Gold fell $2¾ an ounce from Thursday's close in the London bullion market yesterday to finish at $328¾-329¼. The metal opened at $332½-333 and traded between a high of $332¾-333¾ and a low of $326-328½. Sentiment had been boosted in early trading on expectations of a further decline in the value of the dollar. However the dollar finished above the day's lows and this prompted some liquidation of positions taken earlier.

GOLD BULLION (fine ounce) Apr. 12

Close	$328¾-329¼	(£263-263⅜)
Opening	$332½-333	(£264-264½)
M'nl'g fix.	$331.25	(£263.629)
Aft'n'n fix.	$329.90	(£263.667)

GOLD AND PLATINUM COINS

Kr'g'r'nd	$339½-340¼	(£271-271½)
½ Krug.	$174¾-175½	(£139½-140)
¼ Krug.	$89-89¾	(£71-71½)
1/10 Krug.	$36-36½	(£28¾-29¼)
Mapleleaf	$339¾-340½	(£271¼-271¾)
New Sov.	$78-78¼	(£62½-62½)
½ New Sov	$46½-47¼	(£37¼-37¼)
Old Sov.	$77½-79	(£62-63½)
$20 Eagle	$445-485	(£355½-357½)
Noble Plat	$307-311	(£245-249)

INDICES

FINANCIAL TIMES

April 11	April 10	M'th ago	Year ago
299.37	301.71	300.47	304.73

(Base: July 1 1952 = 100)

REUTERS

Apr. 11	Apr. 10	M'th ago	Year ago
1926.0	1930.3	2041.1	2004.4

(Base: September 18 1931 = 100)

MOODY'S

Apr. 11	Apr. 10	M'th ago	Year ago
961.9	964.3	950.8	1,082.8

(Base: December 31 1931 = 100)

DOW JONES

Dow Jones	Apr. 11	Apr. 10	Month ago	Year ago
Spot	121.59	121.14	116.30	142.11
Fut.	124.90	124.61	120.41	144.07

(Base: December 31 1974 = 100)

BASE METALS

COPPER

Amalgamated Metal Trading reported that in the morning cash higher grade traded at £1195, 96, 95, 95.5, three months £1195, 95.5, 96, 98, 98, 97. Kerb: Higher Grade: Three months £1198, 99. Afternoon: Higher Grade: Three months [illegible] 1200, 01, 01.5, 01, 1200. Kerb: Higher Grade: Three months [illegible] 05, 04.5, [illegible] 18,750 tonnes. U.S. Producers: 70-73 cents per pound.

TIN

LEAD

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	722-4	−5	722-4	+5
3 months	713-4	−8.25	714-5	−8
Settlem't	724	+5.5	—	—

Zinc—Morning: Cash £720, three months £711, 10, 08, 09, 12. Kerb: Cash £722, 25, three months £715, 16, 15, 14.

ALUMINIUM

NICKEL

SILVER

Kerb: large three months 548, small untraded. Afternoon: 1st ring untraded. 2nd ring untraded. Kerb: untraded.

COCOA

COCOA	Yesterday's Close	+ or —	Business Done
	£ per tonne		
May	1947-1954	+12.5	1966-1950
July	1935-1936	+14.5	1946-1917
Sept.	1900-1901	+10.5	1909-1892
Dec.	1840-1841	+3	1855-1859
Mar.	1838-1842	+3	1851-1840
May	1843-1845	+3	1858
July	1840-1855	−15.0	—

Sales: 4,260 (2,607) lots of 10 tonnes.

ICCO indicator prices (U.S. cents per pound) Daily price for April 11: 103.90 (103.75); five-day average for April 12: 103.07 (102.75).

COFFEE

COFFEE	Yesterd'ys Close	+ or —	Business Done
May	2085-87	−24.0	2105-83
July	2128-34	−25.5	2149-26
Sept.	2166-68	−20.0	2182-60
Nov.	2190-95	−15.0	2210-86
Jan	2195-96	−12.0	2211-94
March	2170-75	−17.5	2193-70
May	2100-60	−40.0	—

Sales: 4,584 (3,586) lots of 5 tonnes.

ICO indicator prices (U.S. cents per pound)

GRAINS

PIGMEAT

POTATOES

Month	Yesterday's close	Previous close	Business Done
	£ per tonne		
April	45.00	45.30	46.00-44.00
May	52.30	54.10	54.50-52.00
Nov.	76.00	78.80	79.00-73.60
Feb.	86.30	87.00	84.50
Apr.	103.50	107.70	107.0-103.0

Sales: 635 (825) lots of 40 tonnes.

RUBBER

PHYSICALS — The London market opened easier following Eastern market fall and closed quiet, reports Lewis and Peat. Closing prices (buyers) spot 67.00p (68.00p), May 68.25p (69.50p), June 68.75p (70.00p). The Kuala Lumpur fob price for RSS No 1 was 197.5 (202.5) cents a kg and for SMR 20 was 197.0 (199.0).

SOYABEAN MEAL

	Yesterday close	+ or —	Business Done
	£ per tonne		
April	158.0-169.9	+2.85	—
June	126.5-128.0	—	127.7-127.0
August	126.0-128.2	—	—
October	128.5-129.5	—	129.0
Dec.	134.3-135.0	−0.75	135.0
Feb.	139.8-140.8	−0.35	—
Apr.	141.5-144.0	—	—

Sales: 75 (1,984) lots of 20 tonnes.

SUGAR

COTTON

AMERICAN MARKETS

Precious metals rallied with the currencies but did not hold their best levels on late profit taking, reports Heinold Commodities. Copper moved nominally lower on heavy overseas selling which offset the arbitrage support. Aluminum traded moderately lower on trade hedging amid the psychology fearing an economic slowdown.

NEW YORK

ALUMINIUM 40,000 lb, cents/lb

COCOA 10 tonnes, $/tonnes

COFFEE "C" 37,500 lb, cents/lb

COPPER 25,000 lb, cents/lb

COTTON 50,000 lb, cents/lb

CRUDE OIL (LIGHT) 42,000 U.S. gallons, $/barrels

GOLD 100 troy oz, $/troy oz

HEATING OIL 42,000 U.S. gallons, cents/U.S. gallons

ORANGE JUICE 15,000 lb, cents/lb

PLATINUM 50 troy oz, $/troy oz

SILVER 5,000 troy oz, cents/troy oz

SUGAR WORLD "11" 112,000 lb, cents/lb

CHICAGO

LIVE CATTLE 40,000 lb, cents/lb

LIVE HOGS 30,000 lb, cents/lb

MAIZE 5,000 bu min, cents/56lb-bushel

PORK BELLIES 38,000 lb, cents/lb

SOYABEANS 5,000 bu min, cents/60lb-bushel

SOYABEAN MEAL 100 tons, $/ton

SOYABEAN OIL 60,000 lb, cents/lb

WHEAT 5,000 bu min, cents/60lb-bushel

LONDON STOCK EXCHANGE

MARKET REPORT

Bank base rate cuts and further rise in sterling lead to best day in markets for several weeks

Account Dealing Dates

Option

*First Dealings	Declarations	Last Dealings	Account Day
Mar 25	Apr 11	Apr 12	Apr 22
Apr 15	Apr 25	Apr 26	May 7
Apr 29	May 9	May 10	May 20

* "New-time" dealings may take place from 9.30 am two business days earlier.

The tone in bond and share markets improved throughout the session yesterday and London finally enjoyed its best day for several weeks. Encouraged by a revival of cheaper money trends, which failed to impede sterling's upward progress, Government stocks rose nearly a point before easing off late, while the FT Ordinary share index gained 10.4 to close at the session's highest of 967.8.

News of further and slightly larger-than-expected cuts in some bank base lending rates to 12¾ per cent surprised markets, which had been looking for a drab conclusion to the extended Easter trading account.

Renewed opening strength in the exchange rate accompanied fresh overseas demand for Gilt-edged and the authorities were soon called upon to supply stock. Official supplies of Exchequer 10½ per cent 1997 were exhausted at 97¼, while fresh bids of 86¼ for stock of Treasury 9 per cent 1994 were refused. The Government broker may also have been tested later in Conversion 9½ per cent 2004.

Sterling's resilience to lower interest rates—it closed a cent up against the dollar at $1.2570—ensured a continuation of the firmness. Business again centred on medium life Gilts, which closed ⅝ higher in places, largely at the expense of both short and ultra-long stocks, generally around ⅛ better. Index-linked also found a few followers and regained part of the ground lost recently on the prospect of lower UK inflation.

Leading industrial shares went higher still in the after-hours' trade reflecting buying without "new-time" penalty for the trading Account starting on Monday. Several constituents of the FT Ordinary index achieved large gains, the heaviest being **Hawker Siddeley** which rose a spectacular 33 to 433p in response to its preliminary profits statement. **Blue Circle**, unsettled recently by the cost of a major U.S. acquisition, **Thorn EMI** and **Plessey** also made double-figure improvements.

Banks irregular

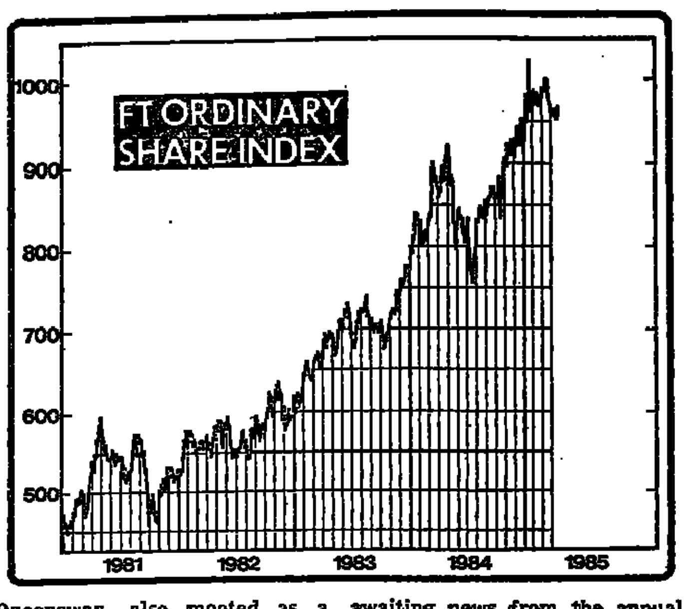
The base lending rate cuts failed to enliven the banking sector. Further persistent small selling of **Barclays** new nil paid shares was readily absorbed and the close was unchanged at 183p premium. Barclays old were a shade dearer at 338p. **Lloyds** softened a couple of pence to 528p, but **Midland** hardened 3 to 328p. Discount Houses were unsettled by adverse Press comment. **Cater Allen** shed 5 to 525p, as did **Gerrard and National**, to 358p. Suggestions of an imminent U.S. bid for the company failed to sustain **Clive Discount**, 2 cheaper at 59p. Elsewhere, **Goode Durrant and Murray** remanied a penny off at 92p following news that Infintraco had lapsed its bid for the company.

Insurances recovered from a cautious opening to close on a firm note. Second thoughts about the annual results helped **Pearl** rally ⅜ to £11¼, while revived demand left **Prudential** 5 dearer at 625p. **Sun Life** moved up 12 to 824p. Among Composites, current takeover favourite **Commercial Union** encountered profit-taking and slipped 3 to 214p. Lloyds broker **Steel Burrill Jones** succumbed to profit-taking in the wake of the annual results and gave up 20 to 385p.

Blue Circle returned to prominence in the Building sector, rising 10 to 492p in response to a broker's circular; the annual results are due on April 25. Other leading issues, selectively firm in recent days, tended to drift easier on lack of further buying interest. **RMC**, preliminary statement scheduled for next Wednesday, slipped 4 to 362p. Elsewhere, **Higgs and Hill** attracted further demand on takeover hopes and rose 5 for a two-day gain of 18 to 328p. The return to profitability and confident statement helped **Allied Plant** firm 2 to 23½p. **Burnett and Hallamshire**, a weak market earlier in the week after comment on the group's Californian debt problems, rallied 7 to 55p.

MFI buoyant late

The renewed prospect of an increase in consumer disposable income inspired fresh, albeit selective, support of Retailers. **Debenhams**, still shrouded by takeover speculation, advanced 3 more to record a gain over the shortened week of 26 to 247p. **Habitat Mothercare**, widely suggested as a likely predator, eased 4 more to 334p, but **Harris Queensway**, also mooted as a possible suitor, firmed a couple of pence to 190p in front of next Thursday's annual figures. Elsewhere among leading Stores, buyers displayed enthusiasm for **British Home**, 14 dearer at 281p, and **Boots**, 6 up at 176p. **Burton** improved 7 to 476p.



A number of noteworthy gains appeared among second-line Stores. **MFI**, already higher in official business, advanced sharply after-hours amid talk of a bid from J. Sainsbury to finish 37 to the good at 258p. **Home Charm** continued the recent re-rating and advanced 8 to a new peak of 332p. Mail-orders remained to the fore; **Grattan** benefited from publicity given to a broker's seminar and rose 6 more to 210p, while **Empire** put on a like amount to 124p. **J. Hepworth** added 5 more at 195p ahead of next Tuesday's half-timer, while fresh speculative demand lifted **Moss Bros** 30 to 385p. **W. H. Smith "A"** rose 10 to 214p in the after-hours' trade owing to revived speculation of a consortium bid. Occasional interest was also shown for **Goldsmiths**, 4 up at 202p, and for **Martin Ford**, 3 better at 43p.

Leading Electricals finished the Account on a brighter note. **Plessey** were noteworthy for a late burst of activity which left the shares 11 to the good at 207p. **Thorn EMI**, 410p, up 15, and **Racal**, 6 higher at 202p, also attracted occasional late demand. Among secondary issues, **Microlease** dipped 55 to 400p on disappointing annual results, while **Muirhead** eased 10 to 130p awaiting news from the annual meeting. **Miles 33**, however, improved 10 more to 313p ahead of figures, expected soon. Still reflecting the profits warning, **Spectrum** remained a depressed market and fell 5 more to 35 for a loss of 45 on the shortened week. **CPU Computers** reacted 5 to 40p in sympathy.

Hawker Siddeley, reflecting much better-than-expected annual figures, advanced strongly during a big turnover to close at the day's best with a rise of 33 to 443p. Gains among other leading issues, however, were limited to a couple of pence. **Stothert and Pitt** continued to attract speculative demand and put on 12 more to 145p for a two-day gain of 25p, while late demand lifted **Delta** 6 to 156p. **IMI** put on 3 to 111p. **Planet** hardened a couple of pence to 84p on the sale of its Luxembourg manufacturing plant for £0.79m.

A firm Food sector featured **Ranks Hovis McDougall**, up 7 at 152p, amid revived rumours that **S. & W. Berisford** had been approached for its near 15 per cent stake in the company; Berisford were steady at 160p. Elsewhere, **Tesco** firmed 4 to a 1984/85 peak of 257p, but **Kwik Save** slipped a couple of pence to 186p following slightly disappointing interim results. **Freshbake** were a volatile market and reacted to 70p before support at the lower level left the close just 5 cheaper at 81p.

Grand Metropolitan attracted late American buying and closed 5 firmer at 295p. Among other Hotels and Caterers, demand ahead of next Friday's annual results lifted **Garfunkles** 25 to 248p.

Avon Rubber feature

Miscellaneous industrial leaders rarely moved more than a few pence but **Metal Box**, recently unsettled by several downgraded profit estimates, rallied 8 to 383p. **Glaxo** held at £10¾ awaiting Monday's interim figures. Elsewhere, **Avon Rubber** featured with a rise of 23 to 301p, after 303p, following a broker's visit to the company, while favourable comment on the preliminary figures brought **Wm. Baird** to life with a rise of 23 to 370p. **Booker McConnell**, after the profits forecast and further rejection of Dee Corporation's bid, firmed 2 to 250p; Dee, which also announced a profits estimate yesterday, put on 3 to 214p. Renewed demand lifted **Evered** 10 to 205p, while **Geo. Wills** improved 4 to 162p on Press mention. **Pentland Industries** continued to attract a considerable interest awaiting Monday's preliminary figures and fell initially on profit-taking to 571p before recovering to close a couple of pence better on balance at 587p. Satisfactory annual results left **UDO Holdings** 13 higher at 188p, after 190p. Other noteworthy improvements included **Barham**, 15 to the good at 450p, and **Cornell**, 12 higher at 255p. **Eastern Produce**, in contrast, encountered further profit-taking and gave up 8 at 337p.

The current strength of sterling and reports that demand for package holidays was increasing boosted **Horizon Travel** 18 to 135p and lifted **Intasun** 11 to 114p. End-Account profit-taking clipped 5 from **Riley Leisure**, at 51p, while the cautious statement accompanying the annual results left **Scottish TV A** 4 cheaper at 136p.

Motors moved irregularly. **Laidlaw** dipped 5 to 38p following the annual profits setback, but **Lex Service** attracted sporadic interest and rose 4 for a week's rise of 17 to 222p. **Adams and Gibbon** closed 4 up at 238p—a shade below the terms from **Keep Trust**, a fraction off at 16¾p.

Properties were highlighted by **Stock Conversion** which met with aggressive buying on revived rumours of a consortium bid and rose 22 to 470p. Elsewhere, profit-taking in the wake of the annual results left **Connells** 11 lower at 112p. Dealings in **Grosvenor Square Properties** were suspended at 105p at the company's request pending full details of the acquisition of a privately owned property company.

Speculative operators showed renewed interest in **Milford Docks** which moved up 5 for a two-day advance of 16 to 71p. **Ocean Transport** hardened a couple of pence more to 190p.

Business in Textiles centred on *Tootal which rose 6 to 75p as* bidder Entrad lifted its stake to around 26 per cent via market purchases; the offer closes next Thursday.

Burmah up again

The oil sector provided a number of firm features. **Burmah Oil** were outstanding and jumped 12 more to 233p for a two-day gain of 27, still reflecting the much better-than-expected preliminary results announced on Thursday.

Companies with interests in the Wytch Farm oilfield in Hampshire attracted substantial support on news that Dorset County Council has given approval for the drilling of four appraisal wells on Furzey Island—the first step in a proposed acceleration in oil production from the field. **Carless Capel** and **Premier Consolidated** were notable beneficiaries, the latter closing 7 up at 53p and the former 9 to the good at 151p. **Tricentrol**, the subject of strong bid rumours in recent weeks, rallied from an inititially easier 250p to end a fraction harder on balance at 256p. **BP**, the major participant in Wytch Farm, held at 537p. **Clyde Petroleum**, however, were depressed by the company's failure to win control of Petrolex and dipped 5 to 90p.

Commodity traders **Gill and Duffus** slipped to a 1984/85 low of 146p before settling a net 2 off at 149p following the failure of the group to meet its profits forecast. Elsewhere in Overseas Traders, **Lonrho** hardened a couple of pence more to 179p, but **Steel Bros**, due to announce annual results next Tuesday, gave up 10 at 530p.

Good week for Golds

Gold sectors of mining markets ended a good week with further widespread gains. South African Golds improved for the fourth successive day with the Gold Mines index up 8.7 on the day and 24.1 on the week at 533.4—its best level for over four months. Share prices opened firmer, reflecting renewed U.S. demand overnight, and gained further ground during the morning before slipping back on profit-taking, which mainly emanated from Continental sources. The American buying was triggered by the continuing decline in the dollar which took bullion up to around $333 in New York. In London trading bullion held above $330 for much of the day but dipped late to close a net $2.25 easier at $329 although still $11.25 higher over the week.

The quarterly reports from the mines in the Gold Fields group were generally well received and **Doornfontein** moved up ⅜ to £14⅛, **Libanon** ⅜ to £20½ and **Driefontein** ¼ to £22⅞. **Kloof**, on the other hand, eased a shade to £34⅛. **Venterspost** performed well, closing 73 higher at 868p while **Deelkraal** rose 13 to 267p.

Consolidated Modderfontein continued to attract persistent support and jumped 23 more to a year's best of 687p, following the increased quarterly profits.

Consolidated Gold Fields rose 5 more to 562p, after 566p, for a week's gain of 29, still reflecting the recent strength of bullion prices and the proposed sale of its American industrial interests. **Rio Tinto-Zinc** eased a few pence to 645p in front of the preliminary results scheduled for Wednesday.

Australians mirrored the exceptionally strong performances recorded by Sydney and Melbourne markets throughout the week. Golds remained the most favoured sector with the leaders featured by **Gold Mines Kalgoorlie**, finally 7 firmer at 495p, after 500p, **Poseidon**, 10 to the good at 238p and **Central Norsemen** 5 up at 448p. Secondary golds attracted widespread interest led by **Sons of Gwalia** which added a further 3 at a 1984/85 high of 100p. Bid rumours continued to boost **Metramar**, 3 firmer at 60p.

FINANCIAL TIMES STOCK INDICES

	Apr. 12	Apr. 11	Apr. 10	Apr. 9	Apr. 4	Apr. 3	year ago
Government Secs	81.40	81.21	81.04	80.89	80.76	80.85	82.43
Fixed Interest	86.58	85.47	85.44	85.42	85.46	85.45	86.48
Ordinary	967.8	957.4	960.3	955.9	962.5	956.5	895.2
Gold Mines	533.5	524.8	518.0	516.2	509.3	514.4	573.8
Ord. Div. Yield	4.73	4.77	4.74	4.76	4.75	4.74	4.30
Earnings, Yld.% (full)	11.83	11.98	11.88	11.95	11.85	11.89	9.80
P/E Ratio (net) (*)	10.29	10.19	10.26	10.21	10.28	10.25	12.35
Total bargains (Est.)	26,099	25,698	25,340	26,597	25,761	26,906	24,686
Equity turnover £m.	—	393.40	251.39	264.20	308.67	390.51	320.97
Equity bargains	—	23,198	22,426	26,395	28,857	27,660	20,534
Shares traded (ml)	—	220.5	136.8	140.6	165.7	191.6	177.2

10 am 959.6, 11 am 962.0, Noon 963.4, 1 pm 964.5, 2 pm 964.9, 3 pm 964.8.

Basis 100 Govt. Secs. 15/10/20. Fixed Int. 1928. Ordinary 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

Latest Index 01-246 8026.

* Nil=9.99.

HIGHS AND LOWS

—	1984/85 High	1984/85 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	83.77 (9/1/84)	75.72 (30/7/84)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	87.48 (14/3/84)	80.43 (30/7/84)	150.4 (28/11/47)	50.53 (3/1/75)
Ordinary	1024.5 (22/1/85)	755.3 (23/7/84)	1024.5 (22/1/85)	49.4 (26/6/40)
Gold Mines	711.7 (8/3/84)	439.6 (25/1/85)	734.7 (15/2/83)	43.5 (26/10/71)

S.E. ACTIVITY INDICES

	Apr. 12	Apr. 11
Daily		
Gilt Edged Bargains	152.1	151.9
Equities Bargains	150.3	145.3
Equities Value	795.2	508.1
5-day Average		
Gilt Edged Bargains	147.5	144.4
Equities Bargains	166.3	171.2
Equities Value	646.1	659.6

LEADERS AND LAGGARDS

Percentage changes since December 31, 1984, based on Thursday, April 11, 1985.

Newspapers, Publishing	+20.22	Merchant Banks	+ 3.85
Shipping and Transport	+19.39	All-Share Index	+ 3.27
Telephone Networks	+17.85	500 Share Index	+ 3.17
Insurance (Life)	+15.45	Investment Trusts	+ 3.06
Office Equipment	+16.29	Financial Group	+ 3.05
Motors	+13.81	Industrial Group	+ 2.19
Metals and Metal Forming	+12.94	Chemicals	+ 1.88
Insurance Brokers	+10.90	Food Manufacturing	+ 1.60
Mining Finance	+10.77	Consumer Group	+ 1.37
Other Groups	+ 9.82	Brewers and Distillers	− 1.67
Gold Mines Index	+ 9.58	Property	− 2.06
Oils	+ 9.58	Electricals	− 2.08
Other Industrial Materials	+ 9.33	Tobaccos	− 2.59
Mechanical Engineering	+ 8.99	Capital Goods	− 3.23
Insurance (Composite)	+ 7.16	Building Materials	− 3.33
Stores	+ 6.91	Health and H'sehold Products	− 3.76
Textiles	+ 5.14	Banks	− 3.89
Packaging and Paper	+ 4.92	Contracting, Construction	− 5.48
Food Retailing	+ 4.68	Leisure	− 5.90
Overseas Traders	+ 4.47	Electronics	−15.32

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Apr 1	Apr 19	July 11	July 22
Apr 22	May 3	July 25	Aug 5
May 7	May 17	Aug 8	Aug 19

For rate indications see end of Share Information Service

Call options were transacted in East Daggafontein, Central Pacific Minerals, Balmoral, Bryson, North Kalgurli, Eglinton Oil and Gas, Metals Exploration, Australian Consolidated Minerals, C. H. Bailey, GEC, F. H. Tomkins, Celtic Haven, Debenhams, DRG, Solicitors Law Stationery Society and Hawley. A put was struck in Henry Ansbacher, while a double was arranged in Celtic Haven.

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Fri April 12 1985 Index No.	Day's Change %	Est. Earnings Yield% (Max.)	Gross Div. Yield% (ACT at 30%)	Est. P/E Ratio (Net)	Index No.	Thur April 11 Index No.	Wed April 10 Index No.	Tues April 9 Index No.	Year ago (approx.) Index No.	1984-85 High		1984-85 Low		Since Compilation High		Since Compilation Low	
1	CAPITAL GOODS (207)	545.01	+0.9	10.29	4.07	12.14	3.33	540.41	540.32	535.82	532.67	577.15	22/1/85	450.90	12/7/84	577.15	22/1/85	50.71	13/12/74
2	Building Materials (24)	494.41	—	12.83	5.07	9.65	0.94	494.27	488.96	487.58	510.53	537.59	27/4/84	402.18	12/7/84	537.59	27/4/84	44.27	11/12/74
3	Contracting, Construction (29)	699.90	—	13.19	5.70	9.76	2.49	700.02	697.23	699.29	765.63	776.48	25/4/84	602.70	19/7/84	831.09	15/3/83	71.48	2/12/74
4	Electricals (15)	1559.82	+0.1	9.80	4.67	13.03	2.39	1558.04	1563.33	1543.46	1792.19	1802.52	20/3/84	1404.80	24/7/84	1909.93	3/6/83	84.71	25/6/62
5	Electronics (36)	1675.84	+1.6	8.97	3.04	14.43	12.67	1649.59	1653.34	1622.58	1886.14	2049.05	13/11/84	1581.70	31/5/84	2049.05	13/11/84	1581.70	31/5/84
6	Mechanical Engineering (62)	307.45	+1.2	10.89	4.44	11.07	1.18	303.74	302.84	301.04	245.81	307.45	12/4/85	212.79	3/1/84	307.45	12/4/85	45.43	5/1/75
8	Metals and Metal Forming (8)	191.15	+0.9	11.83	7.67	10.45	0.17	189.48	189.63	191.48	209.31	209.74	13/3/84	153.97	18/10/84	209.74	13/3/84	49.65	6/1/75
9	Motors (17)	164.64	+0.3	13.48	5.09	9.16	2.37	164.21	164.31	163.12	143.58	175.89	15/3/85	112.73	19/7/84	175.89	15/3/85	19.91	6/1/75
10	Other Industrial Materials (16)	923.64	+0.3	7.85	3.37	15.41	8.04	920.56	927.24	927.23	680.26	992.37	15/3/85	592.04	13/7/84	992.37	15/3/85	277.55	15/1/81
21	CONSUMER GROUP (179)	633.25	+0.6	9.64	3.88	12.55	2.74	629.20	630.63	629.82	532.07	652.30	22/1/85	461.40	3/1/84	652.30	22/1/85	61.41	13/12/74
22	Brewers and Distillers (23)	564.99	+0.8	11.97	4.75	10.36	3.43	560.74	562.19	563.22	533.07	593.54	22/1/85	439.89	3/1/84	593.54	22/1/85	69.47	13/12/74
25	Food Manufacturing (20)	491.63	+0.5	11.89	4.89	10.46	3.50	489.42	490.67	489.76	402.93	513.86	12/3/85	356.25	12/7/84	513.86	12/3/85	59.67	11/12/74
26	Food Retailing (13)	1543.97	+0.9	6.20	2.37	21.50	4.63	1530.32	1532.10	1526.77	1243.60	1543.97	12/4/85	1057.23	10/2/84	1543.97	12/4/85	54.25	11/12/74
27	Health and Household Products (9)	983.50	+0.3	6.08	2.75	19.23	0.22	980.65	995.47	982.96	818.70	1088.57	22/1/85	706.26	4/1/84	1088.57	22/1/85	175.38	28/5/80
29	Leisure (22)	659.45	+1.0	8.99	4.95	14.55	9.42	653.11	655.80	652.35	705.86	719.49	22/1/85	522.19	25/7/84	719.49	22/1/85	54.83	9/1/75
32	Newspapers, Publishing (12)	1753.55	−0.4	6.67	4.31	19.43	7.16	1760.72	1759.76	1731.20	1292.18	1761.61	28/3/85	1007.65	3/1/84	1761.61	28/3/85	55.08	6/1/75
33	Packaging and Paper (14)	305.91	+0.2	11.48	4.27	10.11	0.37	305.43	307.27	308.51	249.05	327.60	19/3/85	211.47	24/7/84	327.60	19/3/85	43.46	6/1/75
34	Stores (44)	600.68	+1.6	6.99	3.25	17.49	1.30	591.00	586.63	589.19	493.42	600.68	12/4/85	383.27	12/7/84	600.68	12/4/85	52.63	6/1/75
35	Textiles (19)	319.04	+1.0	16.32	4.76	7.12	0.41	315.86	316.12	317.91	285.05	341.97	11/3/85	243.79	16/7/84	341.97	11/3/85	62.66	11/12/74
36	Tobaccos (3)	866.51	−1.2	16.79	4.95	6.64	5.43	876.80	881.21	883.70	578.65	1010.69	8/2/85	508.50	5/1/84	1010.69	8/2/85	94.34	13/6/62
41	OTHER GROUPS (97)	671.85	+0.1	9.05	4.03	13.94	4.04	671.22	675.40	673.97	456.58	691.74	15/3/85	408.65	12/7/84	691.74	15/3/85	58.63	6/1/75
42	Chemicals (17)	740.07	+0.4	14.00	4.94	8.87	13.48	736.91	746.57	749.51	622.73	832.26	22/2/85	543.52	13/7/84	832.26	22/2/85	71.20	1/12/74
44	Office Equipment (4)	182.62	+0.8	7.24	4.57	17.11	2.92	181.08	181.08	178.34	144.56	190.38	11/3/85	109.30	3/1/84	246.06	1/9/72	45.34	2/1/75
45	Shipping and Transport (11)	1157.00	+0.7	7.09	4.09	18.80	13.74	1149.33	1148.68	1143.42	917.96	1161.29	21/3/85	766.98	12/7/84	1161.29	21/3/85	90.80	29/6/62
46	Miscellaneous (63)	832.24	+0.1	7.41	3.54	16.48	1.85	831.17	832.44	825.35	609.19	868.52	15/3/85	533.90	4/1/84	868.52	15/3/85	60.39	6/7/75
48	Telephone Networks (2)	826.19	−0.2	8.10	3.90	16.10	0.70	827.79	833.80	834.20	0.0	842.22	28/3/85	517.92	30/11/84	842.22	28/3/85	517.92	30/11/84
49	INDUSTRIAL GROUP (483)	628.85	+0.5	9.65	3.97	12.78	3.29	625.42	627.11	625.03	526.11	650.33	22/1/85	456.41	12/7/84	650.33	22/1/85	59.01	13/12/74
51	Oils (17)	1171.81	—	15.90	7.10	7.72	35.58	1171.87	1177.02	1172.38	1116.49	1239.75	15/2/85	933.37	30/7/84	1239.75	15/2/85	87.23	29/5/62
59	500 SHARE INDEX (500)	674.25	+0.5	10.51	4.40	11.73	5.86	671.08	673.05	670.76	575.57	690.38	22/1/85	500.98	24/7/84	690.38	22/1/85	63.49	13/12/74
61	FINANCIAL GROUP (115)	449.55	+0.2	—	5.52	—	4.52	448.49	449.15	449.08	386.72	465.71	21/3/85	344.83	31/5/84	465.71	21/3/85	55.88	13/12/74
62	Banks (6)	422.36	+0.2	18.44	8.11	7.66	10.72	421.61	425.62	424.07	395.73	482.64	8/2/85	336.01	31/5/84	482.64	8/2/85	62.44	12/12/74
65	Insurance (Life) (8)	679.06	+0.9	—	4.63	—	0.55	673.24	671.01	676.14	468.61	693.10	27/3/85	443.08	31/5/84	693.10	27/3/85	44.88	2/1/75
66	Insurance (Composite) (7)	334.77	+0.3	—	5.83	—	4.13	333.81	333.24	334.48	269.82	347.37	22/3/85	247.22	3/1/84	347.37	22/3/85	43.96	13/12/74
67	Insurance (Brokers) (7)	1136.71	−0.5	7.58	3.49	17.60	9.60	1142.92	1151.13	1145.72	701.37	1248.70	15/3/85	610.72	1/3/84	1248.70	15/3/85	65.86	16/12/74
68	Merchant Banks (11)	230.79	—	—	4.14	—	1.18	230.79	231.80	230.06	245.79	251.54	11/4/84	184.10	24/7/84	278.57	1/5/72	31.21	7/1/75
69	Property (50)	628.40	+0.2	5.64	3.64	23.51	1.17	627.29	626.23	624.91	575.91	648.74	19/12/84	520.77	10/2/84	648.74	19/12/84	56.01	20/4/65
70	Other Financial (26)	287.24	+0.1	8.11	5.64	14.85	1.30	286.85	286.03	285.84	282.65	296.92	6/2/85	224.07	24/7/84	303.18	18/5/72	33.29	17/12/74
71	Investment Trusts (106)	587.66	−0.2	—	3.38	—	4.08	588.83	591.65	591.12	519.91	635.62	7/3/85	457.91	1/6/84	635.62	7/3/85	71.12	13/12/74
81	Mining Finance (4)	303.67	+0.1	9.45	5.01	13.48	1.50	303.35	300.63	297.44	325.34	337.57	10/4/84	250.14	24/7/84	337.57	10/4/84	66.31	30/9/74
91	Overseas Traders (14)	653.47	—	9.16	6.39	13.54	7.06	653.32	657.36	653.87	584.16	687.15	22/1/85	485.16	12/7/84	687.15	22/1/85	97.37	6/1/75
99	ALL-SHARE INDEX (739)	614.73	+0.4	—	4.54	—	5.38	612.32	613.95	612.14	528.39	630.16	15/3/85	464.84	24/7/84	630.16	15/3/85	61.92	13/12/74

	Index No.	Day's Change	Day's High	Day's Low	April 11	April 10	April 9	April 4	April 3	Year ago	1984-85 High		1984-85 Low		Since Compilation High		Since Compilation Low	
FT-SE 100 SHARE INDEX	1275.8	+6.5	1275.8	1266.5	1269.3	1273.1	1270.2	1278.5	1274.8	1110.6	1309.9	15/3/85	986.9	23/7/84	1309.9	15/3/85	986.9	23/7/84

FIXED INTEREST

	PRICE INDICES	Fri April 12	Day's change %	Thur April 11	xd adj. today	xd adj. 1985 to date
	British Government					
1	5 years	116.94	+0.25	116.65	0.21	3.37
2	5-15 years	128.96	+0.44	128.55	0.17	4.04
3	Over 15 years	136.97	+0.27	136.61	—	2.03
4	Irredeemables	149.48	+0.38	148.92	—	1.62
5	All stocks	127.73	+0.34	127.45	0.16	3.52
6	Debentures & Loans	109.78	+0.21	109.55	—	2.39
7	Preference	77.99	−0.20	77.24	—	2.15

	AVERAGE GROSS REDEMPTION YIELDS		Fri April 12	Thur April 11	Year ago (approx.)	1984-85 Highs		1984-85 Lows	
	British Government								
1	Low	5 years	10.61	10.74	9.87	12.02	30/7/84	9.24	17/1/84
2	Coupons	15 years	10.61	10.63	10.03	11.65	30/7/84	9.88	9/1/84
3		25 years	10.17	10.18	9.66	10.98	23/7/84	9.63	9/1/84
4	Medium	5 years	11.53	11.61	10.51	13.13	30/7/84	10.49	13/3/84
5	Coupons	15 years	10.90	10.93	10.53	12.20	30/7/84	10.41	9/1/84
6		25 years	10.36	10.38	9.99	11.53	23/7/84	9.87	9/1/84
7	High	5 years	11.62	11.71	10.67	13.39	30/7/84	10.62	6/3/84
8	Coupons	15 years	11.05	11.09	10.66	12.30	30/7/84	10.61	13/3/84
9		25 years	10.51	10.51	10.08	11.58	23/7/84	9.98	9/1/84
10	Irredeemables		9.99	10.02	9.61	10.84	30/7/84	9.54	12/1/84
11	Debs & Loans	5 years	12.00	12.03	11.25	12.99	1/8/84	11.18	22/3/84
12		15 years	11.71	11.73	11.39	13.10	30/7/84	11.29	29/3/84
13		25 years	11.52	11.55	11.41	13.10	12/7/84	11.26	29/3/84
14	Preference		12.72	12.69	12.36	13.44	17/7/84	11.90	7/3/84

BRITISH GOVERNMENT INDEX—LINKED STOCKS

		Fri April 12	Day's change %	Thur April 11	xd adj. today	xd adj. 1985 to date				Fri April 12	Thur April 11	Year ago	1984-85 Highs		1984-85 Lows	
8	All stocks	110.24	+0.28	109.93	—	0.78	15	Inflation rate	5%	3.39	3.40	3.47	4.02	30/7/84	3.11	11/3/85
							16		10%	3.22	3.23	3.30	3.82	30/7/84	2.94	11/3/85

Equity section or group	Base date	Base value	Equity section or group	Base date	Base value
Telephone Networks	30/11/84	517.92	Food Manufacturing	29/12/67	114.13
Electronics	30/12/83	1646.65	Food Retailing	29/12/67	114.13
Other Industrial Materials	31/12/80	287.41	Insurance Brokers	29/12/67	96.67
Health/Household Products	30/12/77	261.77	Mining Finance	29/12/67	100.00
Other Groups	31/12/74	63.75	All Other	10/04/62	100.00
Overseas Traders	31/12/74	100.00	British Government	31/12/75	100.00
Mechanical Engineering	31/12/71	153.84	Do. Index-linked	30/04/82	100.00
Office Equipment	16/01/70	128.20	Debs. & Loans	31/12/77	100.00
Industrial Group	31/12/70	128.20	Preference	31/12/77	76.72
Other Financial	31/12/70	128.06	FT-SE 100 Index	30/12/83	1000.00

† Flat yield. A list of the constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4, price 15p, by post 28p.

NAME CHANGE: Folkes (J.) Hefo (6) has become Folkes Group.

For record of XD adjustments during 1985 to date please write to the Prices Room, Financial Times, 10, Cannon Street, London EC4P 4BY, enclosing stamped addressed envelope.

NEW HIGHS AND LOWS FOR 1984/85

NEW HIGHS (56)

BRITISH FUNDS (11)

BANKS (1)
Deutsche Bank

BUILDINGS (1)
Access Satellite

CHEMICALS (1)
Delmar

STORES (8)
Aquascutum A, Home Charm, Debenhams, Do 7pcLn 1997-04, Empire Stores, Menzies (J.), Grattan, Moss Bros

ELECTRICALS (3)
JSD Computer, Thermal Scientific, Miles 33

ENGINEERING (3)
Aurora, Vickers, Chamberlin & Hill

FOODS (6)
Belam, Nurdin & Peacock, Fitch Lovell, Park Food, Low (Wm), Tesco

HOTELS (2)
Garfunkels Rest'ts, Mount Charlotte

INDUSTRIALS (8)
Appledore A & P), Pearson, Baird (Wm), Wade Potteries, Brit Aerospace, Widney, Cookson, Wilkes (James)

MOTORS (1)
Caffyns

PAPER (1)
Promotions House

PROPERTY (1)
Gable House Prop 10¼pc Cnv 1995-99

TRUSTS (1)
Scottish Cities A

OILS (1)
Tricentrol

MINES (7)
Cons Modderfontein, Minoil Secs, Rand Mines Prop, Renison, Hawk Invs, Sons of Gwalia, Metramar Minerals

NEW LOWS (21)

AMERICANS (2)
Bus Computer, Microcomputer Mm

BREWERS (1)
Bulmer (H.P.)

BUILDINGS (1)
Miller (Stanley)

ELECTRICALS (5)
Air Call, Loc Refrigeration, Audiotronic, Pressac, Checkpoint Europe

FOODS (2)
Barr (A. G.), Slaters Food

INDUSTRIALS (2)
Brengreen, Erskine House

INSURANCE (1)
NZI Corp

LEISURE (1)
Spectrum

OILS (4)
Edinburgh Oil Gas, Oscola Hydroc'bons, Global Nat Res, Ranger Oil

MINES (2)
Gopeng Berhad, Malaysia Mining

RISES AND FALLS

	Yesterday Rises	Yesterday Falls	Yesterday Same	On the week Rises	On the week Falls	On the week Same
British Funds	103	1	4	354	20	55
Corpns. Dom. and Foreign Bonds	27	—	47	64	23	209
Industrials	248	307	887	896	1,382	3,492
Financial and Props.	62	150	333	263	614	1,303
Oils	20	41	63	89	117	290
Plantations	1	2	14	5	19	44
Mines	79	26	74	285	94	337
Others	44	95	70	184	359	299
Totals	584	622	1,492	2,139	2,628	6,029

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday

Stock	Closing price	Day's change	Stock	Closing price	Day's change
Avon Rubber	301	+23	Hawker Siddeley	443	+33
Baird (Wm)	370	+23	MFI Furniture	258	+37
Beecham	360	+ 2	Milford Docks	71	+ 5
Booker McConnell	250	+ 2	NMW Computers	318	+ 1
De Beers Deld	438	+ 3	Racal Elects	202	+ 6
Falcon Resources	469	+ 9	Vaal Reefs	£83⅞	+ ½

THURSDAY'S ACTIVE STOCKS

Based on bargains recorded in SE Official List

Stock	No. of changes	Thurs. close	Day's change	Stock	No. of changes	Thurs. close	Day's change
Pentland Inds	44	585	+26	Tricentrol	18	255	+ 3
Falcon Res	35	460	+15	Bentalls	17	102	+11
Debenhams	24	244	+16	Cns Gold Flds	16	557	+12
Burmah Oil	23	221	+15	ICI	15	742	−15
Comm Union	21	217	+ 4	Pilkington Bros	14	282	+10
Barclays†	18	183pm	− 6	Riley Leisure	14	56	+ 5
Nth Kalgurli	18	45	+ 1	Thorn EMI	13	395	− 6

† Nil-paid

4-DAY ACTIVE STOCKS

Based on bargains over the four-day period ending Thursday

Stock	No. of changes	Last Thurs. close	Change on week	Stock	No. of changes	Last Thurs. close	Change on week
Barclays†	108	183pm	− 9	Brit Aerospace	65	430	+ 2
Falcon Res	98	460	− 4	Brntt Hallams.	65	48	−21
Pentland Inds	81	585	+65	Grand Met	63	290	− 5
ICI	76	742	−24	Jaguar	62	303	+ 6
Tricentrol	72	255	+ 5	Glaxo	59	£10¾	—
BAT Inds	65	335	− 8	Hanson Trust	57	203	− 1

RECENT ISSUES

EQUITIES

Issue price p	Amount paid up	Latest Renunc. date	1984/85 High	1984/85 Low	Stock	Closing Price p	+or−	Net Div.	Times covered	Gross Yield	P/E Ratio
§155	F.P.	9/5	172	165	♦Assoc. Steel Dist. £1	170	+2	u8.0	2.1	6.7	11.7
§82	F.P.	19/4	79	70	♦BTS 10p	70		[illegible]	[illegible]	[illegible]	[illegible]
¶185	F.P.	[illegible]	[illegible]	[illegible]	♦Bedford (William) 5p	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]
¶112/30	F.P.	17/6	118	100	Bisgden Inds	110					
§60	F.P.	[illegible]	[illegible]	[illegible]	♦Crown Int'l. Prod 10p	[illegible]					
‖	F.P.	[illegible]	127	118	Cullen's Hldgs 10p	[illegible]					
—	F.P.	—	[illegible]	[illegible]	German Smlr. Wrts.	[illegible]					
¶145	F.P.	14/3	160	153	Hillsdown Hldgs 10p	153		[illegible]	[illegible]	[illegible]	[illegible]
§82	F.P.	26/4	86	80	♦Laidlaw Thomson	81		[illegible]	[illegible]	[illegible]	[illegible]
¶145	F.P.	[illegible]	178	156	Mann 20p	170		[illegible]	[illegible]	[illegible]	[illegible]
100	F.P.	12/4	150	129	♦Mayhew Foods 10p	150		[illegible]	[illegible]	[illegible]	[illegible]
175	F.P.	19/4	198	[illegible]	♦New London Oil 5p	200					
100	F.P.	[illegible]	[illegible]	[illegible]	Pacific Assets Tst. 50p	75					
—	F.P.	—	[illegible]	[illegible]	Do. Ser. 1 Warrants	[illegible]					
¶r	F.P.	—	[illegible]	[illegible]	P.A.O. Warrants	[illegible]					
100	F.P.	[illegible]	[illegible]	[illegible]	♦Pape 10p	88	+1				
£7.25	F.P.	16/4	107	87	Plantation Tst Units £1	[illegible]		u3.0	3.5	4.9	11.7
—	F.P.	26/4	95	90	REA Warrants	[illegible]					
‖	F.P.	[illegible]	[illegible]	[illegible]	♦Sangers	[illegible]					
100	F.P.	10/5	92	90	Shorrock 10p	91					
§128	F.P.	11/4	165	130	♦Sims Catering 5p	165		[illegible]	[illegible]	[illegible]	[illegible]
¶175	F.P.	8/5	176	170	Sintrom 10p	176		[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1984/85 High	1984/85 Low	Stock	Closing price £	+or−
§101	£51	15/5	54	50	Felixstowe Dock Prf. Units	54	
85.81	£25	[illegible]	[illegible]	[illegible]	Int.-Am. Dev. Bk. 9¾ Ln. 2015	31	+¼
¶100	£10	[illegible]	[illegible]	[illegible]	Mid Southern Wtr. 9% Red. Prf. 1990	11	
—	F.P.	[illegible]	[illegible]	[illegible]	Nationwide Bldg. Soc. [illegible]	[illegible]	
—	F.P.	[illegible]	[illegible]	[illegible]	REA Hldgs [illegible]	[illegible]	
¶¶	F.P.	[illegible]	[illegible]	[illegible]	Sheafbank Prop. 6% Cum. Conv. Prf.	[illegible]	
49.895	F.P.	[illegible]	[illegible]	[illegible]	Spain (Kingdom of) 11¼% Ln 2010	[illegible]	
91.976	F.P.	27/5	[illegible]	[illegible]	Sweden 11¼ Ln. 2012	[illegible]	

RIGHTS OFFERS

Issue price p	Amount paid up	Latest Renunc. date	1984/85 High	1984/85 Low	Stock	Closing price p	+or−
82	Nil	31/5	19pm	14pm	Aaronson Bros. 10p	[illegible]	
60	Nil	[illegible]	[illegible]	[illegible]	BBA	[illegible]	
180	Nil	14/6	222pm	183pm	Barclays £1	183pm	
143	Nil	[illegible]	[illegible]	[illegible]	♦Berkeley Group	[illegible]	
178	Nil	15/5	17pm	15pm	Beswak 10p	[illegible]	
65	Nil	15/5	23pm	17pm	Bullough 20p	[illegible]	
38	Nil	16/5	9pm	6½pm	FKI Electricals 10p	[illegible]	
245	F.P.	[illegible]	[illegible]	[illegible]	Flemons	[illegible]	
238	Nil	[illegible]	[illegible]	[illegible]	Glass Glover 5p	[illegible]	
70	Nil	15/5	[illegible]	[illegible]	Jackson Exploration	[illegible]	
66	Nil	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
185	Nil	[illegible]	[illegible]	[illegible]	♦Mitchell Cotts	[illegible]	
A$0.2	Nil	[illegible]	[illegible]	[illegible]	Morgan Crucible	[illegible]	
7	Nil	10/5	[illegible]	[illegible]	Oil Search	[illegible]	
190	F.P.	[illegible]	[illegible]	[illegible]	Ryan Intl. 5p	[illegible]	
515	Nil	19/6	204	193	STC	[illegible]	
158	Nil	12/6	356	331	Trafalgar House 20p	[illegible]	
240	Nil	[illegible]	168	158	United Biscuits	[illegible]	
220	Nil	[illegible]	100pm	97pm	Watmoughs	[illegible]	
15	Nil	17/5	[illegible]	[illegible]	Wolstenholme Rink	[illegible]	
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Worthington (A.J.)	[illegible]	

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimates. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. g Assumed dividend and yield. u Forecast dividend cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1985. H Dividend and yield based on prospectus or other official estimates for 1984. Q Gross. p Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or take-over. ■ Allotment letters or fully-paid. ‡ Introduction. ♦ Unlisted Securities Market. § Placing price. † Figures assumed. ‡‡ Dealt in under Rule 535(3). ‡ Converted from 100 Prf. and one Ptg. share. Φ Figures or report awaited. ## Units comprising 5 Ord., 1 Warrant and £2.50 nominal of conv. stock.

STOCK EXCHANGE DEALINGS

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission.

Details relate to those securities not included in the FT Share Information Services.

Unless otherwise indicated, denominations are 25p and prices are in pence. The prices are those at which the business was done in the 24 hours up to 3.30 pm on Thursday and settled through the Stock Exchange Talisman system; they are not in order of execution but in ascending order which denotes the day's highest and lowest dealing prices.

For those securities in which no business was recorded in Wednesday's Official List, the latest recorded business in the three previous days is given with the relevant date.

‡ Bargains at special prices. ● Bargains done the previous day. ΔBargains done with non-member or executed in overseas markets.

STERLING ISSUES BY FOREIGN GOVTS. AND INTNL. INSTITUTIONS

CORPORATION AND COUNTY

UK PUBLIC BOARDS

COMMONWEALTH GOVT.

FOREIGN STOCKS (coupons payable in London)

STERLING ISSUES BY OVERSEAS BORROWERS

BANKS, DISCOUNT

BREWERIES

Db 1988-93 £75. 7¼pcDb 1989-94 £80 (10/4). 9¾pcDb 1991-96 £88 (9/4). 7¼pcLn 1988-93 £70●. Do 1995-98 £69. 7¼pcLn 1996-2000 £73½●. 10½pcLn 2000-05 £92½ (10/4)
Whitbread Inv 166 9
Young 9pcPf (£1) 105½

COMMERCIAL, INDUSTRIAL

A—B

AE 7¼pcDb 1980-85 £97¼●. 11pcDb 1991-96 £94½. 8pcLn 1989-94 £72½ 3 (9/4)
AMEC 15pcLn 1992 £112 ¼ ½ (10/4)

C—D

Dalgety 4.85pcPf (£1) 58 (10/4). 8¼pc Db 1988-93 £81 (9/4)
Davenport Knitwear (10p) 150
Davies Metcalfe (10p) 55 ½ (9/4)
De La Rue 2.45pcPf (£1) 28½ (9/4)
Debenhams 6¼pcLn 1986-91 £75 ½. 7¼pc Ln 2002-07 £65½ ¾ (9/4). 7¼pcLn 2002-07 £69¼●. 11pcLn 1993-98 £246
Delta Group 8pc1stPf (£1) 48. 7¼pcDb 1985-90 £83½ 4½. 10¼pcDb 1995-99 £92½● 4½● ¾●
Dewhirst (I. J.) 9.75pcPf (£1) 94 (9/4)
Dewhurst Partner (10p) 37 (9/4)
Dickie (James) (Drop Forgings) 36 9
Diploma 10½pcLn 1990-95 £87½
Dominion Int Warrants to sub for Ord 19 1986 CumCnv High 100 (10/4). 11¼pc CumPf (£1) 175
Dubilier 11pcPf (50p) 39 (10/4)
Dunlop 5½pcPf (£1) 84
Dunlop Textiles 6½pcPf (£1) 50½ (10/4)
Duport 3½pc2ndPf (£1) 37¼●

E—F

E.R.F. 10pcPf (£1) 68
East Midland Allied Press 124 (9/4)
Eastern Produce 10½pcLn 1997-02 £290
Elys (Wimbledon) 430 5. 7¼pc1stDb 1986-97 £62½
Empire Stores (Bradford) 8¼pcDb 1991-1996 ...

L—M

Lonrho 7¼pc1stDb 1986-91 £79¼. 9pc 2ndDb 1987-92 £85 ¾
Low Bonar 6pc1stPf (£1) 35
Lowe (Robert H.) 6½pc1stPf (£1) 31 (10/4)
Lucas Indust. 6½pc1stPf (£1) 49. 7¾pcLn 1983-88 £88 9 (9/4). 10¾pcLn 1992-97 £93¼ (10/4)
M.K. Electric Group 7½pcLn 1986-91 £81
M.Y. Dart Dfd (10p) 18 (10/4)
McAlpine (Alfred) 9pcPf (£1) 106 (10/4)
McBride (Robert (Middleton)) 10pcPf (£1) 102½ 3‡
McCarthy Stone 7pcLn 1999-04 £110
Magnet Southerns 5.25pcPf (£1) 71½ (10/2)
Manders (Hldgs.) 5pcPf (£1) 39●
Manor National 10½pcPf (£1) 78 (10/3). 12pcLn 2003 £80 (10/4)
Maple Co (Hldgs) 10½pcLn 1998-2002 £63½ (10/4)
Marks Spencer 7pcPf (£1) 61
Marshalls Halifax 10pcPf (£1) 105 (10/4)
May Hassell 6pcPf (£1) 49
Menzies (John) 9pcPf (£1) 106●
Metal Box 10½pcLn 1992-97 £91¼
Mills Allen (Hldgs) 6½pcPf (£1) 40 (10/4)
Mitchell Cotts 4.35pcPf (£1) 43. 13pc Ln 1990-95 £104½
More O'Ferrall 10pc2ndPf (£1) 103‡ ...

N—O—P

Q—R—S

T—U—V

Tioxide Gp 11¼pcLn 1991-96 £98½
Titaghur Jute Factory (£1) 24½. 6pcPf (£1) 35 (9/4)
Tootal Gp 5pcPf (£1) 41 ½. 4½pcDb £41½. 7¼pcDb 1985-90 £83●. 7¼pcLn 1989-94 £71
Towles (10p) 55 8 (9/4). A (10p) 62
Trafalgar House 7pcDb (£1) 58 (10/4). 9½pcLn 2000-05 £83. 10¼pcLn 2001-2006 £90 ½
Transport Development Gp 8¼pcLn 1993-1996 £76½ (10/4)
Trielus 20pcPf 34 (10/4)
Trinity Intnl Hldgs (50p) 247 (10/4)
Trusthouse Forte 6.25pc1stDb 1984-89 £81½●. 7.25pc1stDb 1986-91 £80●. 10.5pcDb 1991-96 £92¼ 3 ¼. 9.1pcLn 1995-2000 £78½ (10/4)
Turner Newall 11¾pcDb 1995-2000 £101½
UBM Gp 7½pcPf (£1) 90
Unigate 5¼pcDb 1983-88 £82¼. 7¼pc Db 1986-91 £83½ (10/4). 5pcLn 1991-1996 £55. 6½pcLn 1991-96 £66 ½. Do 1992-97 £66
Unilever 7pc1stPf (£1) 60. 6½pcDb 1985-88 £86. 5½pcLn 1991-2006 £52½ 4. 7¼pcLn 1991-2006 £72 ½ ¾
Union Intnl 6pcPf (£1) 42 3. 10pcAPf (£1) 71 (10/4)

W—Y—Z

UNIT TRUSTS

MINES—MISCELLANEOUS

MINES—SOUTH AFRICAN

FINANCIAL TRUSTS

Murray Intnl Tst 4½pcPf (£1) 38
New Darien Oil Tst Warrants to sub for Ord 9
1928 Invest Tst 6¼pcDb 1998-2003 £56½ (10/4)
North Atlantic Securities Corp 7½pcLn 1995-98 £305 (9/4)
Northern American Tst 3½pcPf £40½
Northern Indust Improv Tst (£1) 201‡ 3‡ (10/4)
Outwich Invest Tst 4.2pcPf (£1) 49●
Pacific Assets Tst (50p) £0.76 (9/4). Ord (50p) 76. Sers 1 Wts to sub for Ord 41 2 3½
Plantation Tst Co £95 700
Raeburn Invest Tst 4½pcLn 1973-98 £220 (9/4)
Rights and Issues Inv Tst 45 (9/4). 7½pc Pf (£1) 72 (9/4)
River Plate & Gen Invest Tst Warrants to sub for Ord 71 3 4 (9/4)
Scottish Eastern Inv Tst 4½pcPf £36 8 (9/4)
Scottish Invest Tst 4.65pcAPf £49½●. 4¼pc Db £34 (10/4). 5pcDb £38½ (10/4)
Scottish Mortgage & Tst 5pcPf £410
Second Alliance Tst 4½pcPf £39
Shires Invest Warrants to sub for Ord 46. Units £124 (10/4)

INSURANCE

INVESTMENT TRUSTS

OIL

PROPERTY

PLANTATIONS

RAILWAYS

SHIPPING

UTILITIES

WATER WORKS

UNLISTED SECURITIES MARKET

Access Satellite Int (5p) 262 4 ½‡ 5‡ 5 6
Applied Botanics 12pcLn 1995-2000 £82●
Applied Holographics Wts to subsc 190
Assoc Steel Distrib New (£1) 167 8
BTS Grp (10p) 70
Bedford (William) (5p) 168 (10/4). New (5p) 170 2 3 5 7
Biomechanics Int (10p) 11● ½●
City Sites Ests 10pcPf (20p) 68 (10/4)
Cluff Oil B 57. Wts to subsc B 15 (10/4)
Cobra Emerald Mines nov 103
DDT Grp (5p) 157
Eldridge Pope A (£1) 200 5
Gibbs Mew 133 5
Intervision Video (Hldgs) 7pcPf (£1) 17●
Laidlaw Thomson Grp 80
Mayhew Foods (10p) 118 21. New (10p) 118 20 2 (10/4)
Optometrics (USA) ($0.01) 43
Paul Michael Leisurewear (5p) 22 3
Pepe Grp (10p) 86. New (10p) 85 6 7 8 9 90
Petrolux (5p) 80 1 2 3‡ 3 4‡
Sangers 63½‡ 4 5 ... 61 6 ... 7 8‡ 8. 3.85pcPf (£1) 50 1. 5.25pcPf (£1) 69 ½ 70. 11pcLn 1994-02 £159 62
Sims Catering Butchers (5p) 140 3 5 6. New (5p) 142 3 5 7 (9/4)
Synterials (10p) 8
Technology for Business 7pcPf (£1) 107 10
Thorgat Grp (5p) 76●
Utd Friendly Ins B (10p) 348

RULE 535 (4) (a)

Bargains marked in securities where principal market is outside the UK and Republic of Ireland. Quotation has not been granted in London and dealings are not recorded in the Official List.

ACI Intnl 115● (10/4)
ADG Mins 6 (4/4)
Acorn Secs 23
Admiral Mines 8 (9/4)
AECI 290 (9/4)
...
Amsterdam-Rotterdam Bank £17● 16.50 (9/4)
Anglo Gold ...
APM 143 ...
Apple Computer ...
Applied Magnetics ...

North Flinders Mines 86
Numac Oil and Gas 812½
Oakwood Intl Pet 3½ (9/4)
Ocean Res 5● (9/4)
Oil Search 14½. New (nil pd) 30 2 ½ ¾
Oilmet Res 5½● (9/4)
Overseas Chinese Banking Corp 260 (9/4)
Palabora Mng 750●
Perkin-Elmer £19.70
Petroleum Secs Aust 83 (10/4)
Philip Morris Inc £78 (9/4)
Piezo Elec Prods 30 (4/4)
Pine Vale Invests 10● (9/4)
Pioneer Concrete Services 103
Placer Devpt £15 (4/4)

RULE 535 (2)

Applications granted for specific bargains in securities not listed on any exchange.

Leisure Instruments 29 (4/4)
Le Riches Stores 432 5 40
Lincolnshire Standard 200
Lorne Expln 30 (10/4)
Manchester Utd FC 350 4 (9/4)
Mercantoil 120 30 (9/4)
Newbury Racecourse £740 750 800 810 (9/4)
New Court Props 185 (9/4)
Norton Villiers Triumph 3½ 4 ½ (4/4)
Oldham Ests 98 9
Rocky Mountain Oil and Gas 99 100 (4/4)
Shepherd Neame 490 5
Sinclair Research £10.03 (9/4)
Sodastream 149 50 (4/4)
Sonic Tape 4½ 5 (9/4)
Southern Newspapers 132 ½ 3. New 192 3 4 ½
Sturge Hldgs 365 70 (9/4)
Taddale Invests 12½ ¾ 4 5
United Trust and Credit 300 5 (10/4)
Wadworth 254 5 (9/4)
Weetabix A (Non-vtg) 129½ 31

RULE 535 (3)

Dealings for approved companies engaged solely in mineral exploration.

Celtic Basin Oil Expln (£1) 10 13 15 (9/4)
Kenmare Oil Expln (Ir£0.25) 5½

(By permission of The Stock Exchange Council)

LONDON TRADED OPTIONS

Option		Calls Apr.	Calls Jly.	Calls Oct.	Puts Apr.	Puts Jly.	Puts Oct.
B.P. (*538)	460	80	95	107	1	4	8
	500	43	62	72	1	8	18
	550	7	23	40	25	27	35
	600	2	12	25	65	68	75
Cons. Gold (*557)	460	105	112	122	0¾	3	6
	500	65	74	85	2	12	17
	550	14	40	53	8	25	37
Courtaulds (*143)	110	37	41	—	1½	2	—
	120	27	31	—	1½	2	—
	130	17	24	—	2	5	—
	140	9	17	20	3¼	8	10
	160	1	9	11	17	18½	23
Com. Union (*217)	160	67	63	69	1	2	3
	180	37	46	50	1½	4	5
	200	18	33	38	2	9	12
	220	5½	22	27	10	17	21
G.E.C. (*186)	160	30	—	—	2	—	—
	180	12	24	28	4	5	8
	200	1½	12	18	14	16	22
	220	1	6	9	34	34	38
	240	1	2	—	54	54	—
Grand Met. (*293)	280	18	28	32	1½	7	11
	300	4	17	22	10	18	22
	330	1	8	13	38	43	48
I.C.I. (*742)	700	52	88	—	2	12	—
	750	18	57	70	17	37	47
	800	5	34	50	62	70	80
	850	1½	14	25	110	117	125
	900	1	4	12	160	167	175
Land Sec. (*288)	260	31	—	—	1½	—	—
	280	13	20	27	2	7	10
	300	3	10	16	13	19	22
	330	1	5	9	43	45	48
Marks & Sp. (*143)	120	26	29	35	1½	2	3
	130	15½	20	25	1	4	5
	140	7	14	18	2	6	11
	160	1½	7	11	17	21	25
Shell Trans. (*716)	550	170	—	—	2	—	—
	600	120	137	—	2	4	—
	650	70	93	105	2	8	14
	700	25	50	65	5	20	27
	750	5	23	40	37	48	63
	800	1½	15	19	85	87	93
Traf'gar Hse (*335)	273	64	—	—	1	—	—
	293	44	47	—	1½	2	—
	323	15	24	29	2	9	13
	353	3	12	19	20	27	30
	383	1	6	11	50	54	55

Option		Calls May	Calls Aug.	Calls Nov.	Puts May	Puts Aug.	Puts Nov.
BAT Inds. (*328)	280	55	65	—	2	3	—
	300	37	50	—	5	13	—
	330	17	30	40	13	27	32
	360	6	16	25	42	50	60
	390	2	10	18	70	75	80
Barclays (*337)	285	63	77	—	3	6	—
	335	20	40	55	12	18	25
	385	8	18	32	50	55	60
	455	1	7	18	100	105	107
Bt. Telecom (*138)	90	50	53	—	0½	0½	—
	100	40	45	—	0½	1	—
	110	30	33	—	0½	1½	—
	120	20½	23½	26½	1	3	4½
	130	11½	17½	20	2½	5½	8
	140	4	11	14½	6½	11	12
	160	1	4½	7½	23	24	25
Imperial Gp. (*186)	160	31	35	—	2	3	—
	180	15½	21	26	6	10	13
	200	9	15	19	17	22	25
	220	2½	8	12	37	39	43
LASMO (*318)	300	28	40	—	8	14	—
	330	12	25	35	28	32	38
	360	6	15	27	55	68	60
	390	2	8	15	85	87	88
Lonrho (*179)	140	41	45	—	1	2	—
	160	21	26	32	2	4¼	7
	180	8	16	21	9	11	16
	200	1½	7	—	24	26	—
P. & O. (*340)	300	48	60	—	2	4	—
	330	27	38	48	7	15	16
	360	9	20	30	25	30	33
	390	4	11	—	52	53	—
	420	1	5	—	82	82	—
Racal (*202)	180	32	40	48	3	4	7
	200	18	26	38	8	11	14
	220	6	15	22	20	24	26
	240	1	7	—	40	40	—
	260	1	4	—	60	60	—
	280	1	2	—	80	80	—
R.T.Z. (*644)	600	57	72	82	5½	14	20
	650	27	42	65	27	42	52
	700	11	25	35	70	72	80
Vaal Reefs (*$106)	80	26	27½	29	1	5	4½
	90	16½	19½	22	1½	6	8¼
	100	9½	13½	18½	5½	10½	12½
	110	4½	7¼	10	10	14	16½
Ex. 10% 1989 (*£95)	90	[illegible]	[illegible]	—	[illegible]	[illegible]	—
	92	3¼	3½	[illegible]	[illegible]	[illegible]	[illegible]
	94	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	96	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	98	[illegible]	0½	—	[illegible]	3⅝	—

Option		Calls June	Calls Sept.	Calls Dec.	Puts June	Puts Sept.	Puts Dec.
BTR (*667)	650	57	69	80	13	20	33
	700	28	47	62	37	50	60
	750	14	30	44	82	85	94
Beecham (*358)	330	37	45	—	3	6	—
	360	17	27	35	15	23	28
	390	8	14	20	37	44	48
Bass (*537)	460	95	110	—	3	7	—
	500	60	77	87	8	13	18
	550	22	37	47	28	37	45
De Beers (*$5.47)	420	145	160	—	6	11	—
	460	110	128	145	12	22	35
	500	75	95	110	22	37	47
	550	37	67	78	45	68	73
GKN (*258)	180	57	63	—	2	2	—
	200	37	45	—	3	6	—
	220	21	27	33	7	10	13
	240	11	16	22	15	19	23
Hanson (*203)	187	37	31	—	4	8	—
	200	19	27	33	9	12	16
	220	11	17	23	21	24	27
	240	4	6	15	38	41	44
Jaguar (*303)	280	36	51	—	7	13	—
	300	25	35	48	14	21	28
	330	15	24	29	32	36	40
	380	5	13	—	56	59	—
Tesco (*258)	200	61	—	—	1½	—	—
	220	41	47	52	2	4	8
	240	24	30	36	8	9	13
	260	14	19	23	13	16	19
FT-SE Index (*1271)	1150	130	—	—	6	—	—
	1175	110	—	—	10	—	—
	1200	92	120	—	17	35	—
	1250	55	82	97	31	55	65
	1300	29	55	67	62	80	100

Apr. 12. Total contracts 6,587. Calls 3,865, Puts 2,722.
* Underlying security price.

EUROPEAN OPTIONS EXCHANGE

Series		May Vol.	May Last	Aug. Vol.	Aug. Last	Nov. Vol.	Nov. Last	Stock
GOLD C	$325	12	14	—	—	—	—	$329.70
GOLD C	$350	268	5	—	—	—	—	"
GOLD C	$360	—	—	12	10.10	—	—	"
GOLD C	$375	30	1.50	—	—	—	—	"
GOLD P	$300	—	—	30	5 B	—	—	"
GOLD P	$325	22	7.50	—	—	—	—	"
		June		Sept.		Dec.		
SILVER P	$600	10	15	—	—	—	—	$666
$/FL C	Fl.345	11	10 B	4	13.50	—	—	Fl.348.28
$/FL C	Fl.350	47	8.30	—	—	—	—	"
$/FL C	Fl.355	38	6	5	9.80	—	—	"
$/FL C	Fl.360	85	4.70	80	7.80	—	—	"
$/FL C	Fl.365	86	2.90	50	6.40	9.50	1	"
$/FL C	Fl.370	100	2.20	—	—	—	—	"
$/FL C	Fl.375	18	2	10	5	—	—	"
$/FL C	Fl.390	50	0.80	50	2.80	—	—	"
$/FL C	Fl.395	50	0.80	50	2.10	—	—	"
$/FL P	Fl.325	155	2.70	—	—	—	—	"
$/FL P	Fl.330	61	3.20	—	—	—	—	"
$/FL P	Fl.335	46	5.20	—	—	—	—	"
$/FL P	Fl.340	79	7.80	115	12.90 B	—	—	"
$/FL P	Fl.345	35	9.70	3	15.50	—	—	"
$/FL P	Fl.350	159	13.30	1	18.50	—	—	"
$/FL P	Fl.355	15	15.50	—	—	—	—	"
$/FL C	Fl.360	14	19	10	25.40 A	—	—	"
£/$ C	$110	20	14.80	—	—	2	15.70	$124.80
£/$ C	$120	6	7.10 A	125	8.70	—	—	"
£/$ C	$125	306	4.50	56	6.20 A	—	—	"
£/$ P	$110	45	0.70	30	1.90	—	—	"
£/$ P	$125	300	4.90 B	—	—	—	—	"
		Apr.		Jul.		Oct.		
ABN C	Fl.420	168	1.60	100	8.20	12	15	Fl.412.50
ABN P	Fl.400	117	0.30	20	10.50	17	18	"
AEGN C	Fl.180	528	3.80 B	97	11	6	15	Fl.183.50
AEGN P	Fl.180	629	0.90	79	8.80	—	—	"
AH C	Fl.230	4	0.30	113	6.30	12	10	Fl.221
AH P	Fl.210	—	—	45	4.80	—	—	"
AKZO C	Fl.110	1135	3.20	821	6.70	296	9.40	Fl.113
AKZO P	Fl.110	126	0.50	395	4.70	160	6	"
AMRO C	Fl.75	256	1	266	2.90	26	3.50	Fl.74.70
AMRO P	Fl.75	55	1	25	3.50	—	—	"
GIST C	Fl.190	—	—	22	5.80	8	7.60	Fl.185
HEIN C	Fl.160	78	0.30	13	5.60	7	6	Fl.156.30
HEIN P	Fl.150	—	—	15	3.80	10	4.20	"
HOOG C	Fl.60	222	1.60	10	3.50	5	5.30	Fl.61.60
HOOG P	Fl.65	41	3.40	20	5.80	—	—	"
KLM C	Fl.55	338	6.20 A	786	8.20	184	8.70	Fl.61
KLM P	Fl.55	—	—	650	1.30	8	2.20	"
NEDL C	Fl.180	120	2.40	106	8	16	10	Fl.180.80
NEDL P	Fl.180	198	1.20 A	19	14.20	—	—	"
NATN C	Fl.70	345	0.70	35	2.60	10	4.10	Fl.70
NATN P	Fl.70	—	—	4	5	35	4.10	"
PETR C	Fr.7000	—	—	—	—	15	280	Fr.6,880
PHIL C	Fl.60	51	0.10	1002	1.60	210	2.70	Fl. 57.40
PHIL P	Fl.55	—	—	372	1.60	73	2	"
RD C	Fl.200	875	4.20	158	7.90	195	10.60	Fl.204
RD P	Fl.200	49	0.50	314	8	171	11	"
ROBE P	Fl.75	47	3.10	—	—	—	—	Fl. 71.90
UNIL C	Fl.320	27	27	—	—	—	—	Fl.347
UNIL P	Fl.340	14	0.60	10	9A	5	11	"

TOTAL VOLUME IN CONTRACTS: 31,488

A=Ask B=Bid C=Call P=Put

APPOINTMENTS

Top posts created at BR

BRITISH RAILWAYS BOARD has appointed Mr J. K. Welsby, director, manufacturing and maintenance policy, to the new post of managing director, procurement and special projects, at board headquarters. Mr Welsby will continue to have responsibility for the review of manufacturing and maintenance, including the further development of an "arms-length" relationship between BR and its subsidiary British Rail Engineering Limited (BREL). Mr Welsby will direct and co-ordinate all activities aimed at determining the future size and shape of BREL, and the size, shape and organisation of the maintenance and repair activities. He will also be responsible for implementing the Board's recently published criteria for competition for the procurement of goods and services. In his third area of responsibility, Mr Welsby will undertake a number of special projects. The first will be to continue the review and reduction of general expenses begun by the managing director reorganisation, who retires this month and is not being replaced.

To establish further the "arms-length" relationship between BR and its engineering subsidiary BREL Mr James G. Urquhart, a member of the main board, gives up the post of chairman of BREL. Mr Philip A. Norman, managing director, becomes chairman and managing director from May 1, and Mr A. R. Houseman, a non-executive member of the BREL board, becomes deputy chairman.

★

PEGLER-HATTERSLEY has appointed Mr C Noel Davies as a non-executive director. He is managing director and chief executive of the 600 Group.

★

Mr Roy Forman, PPP's (Private Patients Plan) marketing director is to succeed Mr David Lock as managing director following Mr Lock's retirement on June 30.

★

Mr Martin Shears has been appointed director of ASTLEY & PEARCE (STERLING).

★

OGILVY & MATHER has appointed as financial director Mr David Goody. He joined in 1984 as group financial controller.

★

Mr Charles Fowkes has been appointed to the new post of group managing director of HAMLYN PUBLISHING GROUP, part of Reed International. He is managing director of Newnes Books. Mr Ronald Whiting has retired as managing director of Hamlyn Publishing, but will remain a meber of the board in a consultative role until September 30.

★

Mr Rod Richardson, production director of the AP Besson division of CRYSTALATE ELECTRONICS has been appointed deputy managing director. He will retain direction of the works operation.

★

Mr David Reid has joined the board of TESCO STORES, principal operating subsidiary of Tesco, as director responsible for financial accounting and corporate planning. He comes from BAT Stores where he was financial director for International Stores.

★

Mr Michael Joseph Bennett Parker has been appointed a part-time member of the UNITED KINGDOM ATOMIC ENERGY AUTHORITY from April 1 1985 to March 31 1988. Mr Coningsby Allday, and Professor Norman Lawrence Franklin have been reappointed part-time members until March 31 1986. Mr Parker is chairman and managing director of the Favor Parker Group. Mr Allday is chairman and chief executive of British Nuclear Fuels. Professor Franklin, who is professor of Nuclear Engineering at Imperial College, London, is a former managing director of the National Nuclear Corporation and of BNF.

★

HOWARD MACHINERY has appointed Mr Alex H. Erskine as group commercial director.

★

ZURICH LIFE ASSURANCE has appointed Mr Graham J. Allan, as actuary.

★

Mr George William Paul, chief executive of Pauls, has been appointed a director of HARRISONS & CROSFIELD.

★

Mr Martin Hynes has been appointed financial director of AUDIO KINETICS. He was previously company accountant.

★

The PUBLISHERS ASSOCIATION has elected Mr Gordon Graham president. He succeeds Mr Philip Attenborough, chairman of Hodder and Stoughton.

★

ELECTRONIC RENTALS GROUP has appointed Mr C. W. Sandford, formerly a director of Currys, as marketing director.

★

Mr George Jenkins has been succeeded as European representative in London of MIDLANTIC NATIONAL BANK by Mr Norman L. Fashek.

★

Mr Philip McMinn has joined The Moorgate Group as managing director of MOORGATE PUBLIC RELATIONS. He was with Shandwick Consultants.

★

Mr Derek Heap has been appointed a director of BURNS-ANDERSON, Manchester.

★

WELBECK LEASING SERVICES has appointed Mr Brian de Mattos as director, finance (designate) from April 22. He was with the Forward Trust Group. Welbeck Leasing Services is a wholly-owned subsidiary of Welbeck Finance.

★

Mr Stuart W. Heap has been appointed to the newly-created post of director of operations in the international visual communications division of BELL AND HOWELL. He joined the division as financial director in 1978.

★

Dr George Lesiak has been appointed managing director, and Mr Richard Manning deputy managing director, of STANDARD ENGINEERING, Halma machinery and services division subsidiary specialising in shoe repair technology. Mr John Kidston, divisional chief executive of the machinery and services division, and formerly managing director of the company, remains on the board as chairman.

★

SERICOL INTERNATIONAL, Burmah Speciality Chemicals screen printing ink company, has appointed two further directors—Mr T. C. Kirk, former finance director of Sericol Group, and Mr H. H. Lavell, former technical director of Sericol Group. Sericol International is the holding company of Sericol Group.

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)
1-3 St Paul's Churchyard, EC4P 4DX. 01-236 1833

High Income				
Gilts & Fixed Int.	110.3	116.7xd	+0.7	10.28
High Inc Equity	69.9	74.4xd	+0.1	6.24
Worldwide Bond	146.9	156.3	+0.1	6.21
Capital Growth				
American Growth	129.5	137.8	−0.1	1.58
Asian Pacific	47.4	50.5	−0.6	—
Assets & Erngs. Tt.	74.1	79.3	−0.1	3.66
Capital Reserve	55.2	55.5xd	+0.3	0.76
Commodity & Engy.	75.0	80.2xd	−0.3	3.25
General	102.1	109.2	+0.2	2.95
Japan	167.1	178.8xd	−2.3	0.00
UK Growth Acc Units	101.6	109.2	−0.1	2.01
U.S. Emerging Co's	54.7	58.5xd	−0.1	0.44
Equitas Prog.	155.0	165.8	+0.5	3.12

Aitken Hume
30, City Road, EC1Y 2AY. 01-628 6626

American Tech Fd.	120.0	128.4	−0.6	0.10
Pacific Fd.	126.0	134.8	−0.7	0.20
Secured Income Fd	141.0	150.9	−1.0	5.50
Special Sits	165.8	177.4	.....	1.56
Energy Fd.	38.4	41.0	+3.2	0.80
American Majors	56.0	59.9	−0.5	1.56
Small Co's Fd (10Mar2)	29.8	31.8	.....	1.97
Jap. Technology	61.9	66.2	−0.9	0.10
International Income	48.2	51.5	.....	7.00

Allied Unit Trusts Limited (a)(g)
Allied Hambro House, Hutton, Brentwood, Essex
Brentwood. (0277) 211459 & 229123

Balanced Trusts and Income Trusts				
First Trust	160.7	171.1xd	+0.4	4.32
Growth & Inc Trust	101.4	108.0xd	+0.2	4.19
Capital Trust	184.9	196.9xd	+0.1	3.02
Balanced Trust	274.8	292.6	+0.5	4.02
Accum Trust	411.1	437.8	+0.7	3.31

Britannia Group—Continued

Sector Specialist Funds

INSURANCES

INSURANCE, OVERSEAS & MONEY FUNDS

Liberty Life Assurance Co Ltd
Station Rd, New Barnet.
Fund Managers, Touche Remnant & Co. 01-440 8210

Sel Sec A	27.4	28.9	.....	—
Managed	20.6	21.7	-0.1	—
Equity	16.7	17.6	-0.1	—
Blue Chip	22.5	23.7	.....	—
Special Sits	24.7	26.1	+0.2	—
International	27.5	29.0	-0.5	—
American	21.7	22.9	+0.1	—
Pacific	21.1	22.3	-0.1	—
Property	17.2	18.1	+0.1	—
Fixed Yield	19.8	20.9	...	—
Index Linked Secs	11.2	11.8	.....	—
Int Currency	13.6	14.4	.....	—
Deposit	16.1	17.0	.....	—

Life Assur. Co. of Pennsylvania
8, New Rd, Chatham, Kent. Medway 812348

LACOP Units	15.10	15.86	.....	—

Lloyds Life Assurance
20, Clifton St, EC2A 4MX. 01-920 0202/0733 262524

Multi Gwth April 6		£318.819	.....	—
Mult Gwth "A" Apr 6	285.0	300.0	.....	—
Op B Prop April 11	265.0	279.0	.....	—
Op B Equity April 12	389.8	410.4	-0.5	—
Op Hy April 11	269.2	283.4	.....	—
Op 5 Man April 11	354.9	373.6	.....	—
Op 5 Dep Apr 12	204.2	215.0	.....	—
Op 5 Bond April 11	181.1	190.7	.....	13.75
Op 8 Int Dist April 11	147.8	155.6	.....	—
Op 8 Int Man April 11	206.1	217.0	.....	8.29
Op B US$ April 11	148.3	156.2	.....	—
Pens B Pr Ac Mar 31	353.6	372.3	.....	—
Pens B Eq Ac Mar 31	1,119.3	1,1178.3	.....	—
Pens B FI Ac Mar 31	403.3	424.6	.....	—
Pens B Md Act Mar 31	636.9	670.5	.....	—
Pens B Dp Acc Mar 31	329.7	347.1	.....	—
PensBGar Gldr Mar 31	111.5	117.4	.....	—
Pens B Gart NA Mar 31	97.9	103.1	.....	—
PensBGartP Mar 31	120.0	126.4	.....	—

For Pensions Capital Units please ring ext 2996 or 2561.

Britannia Funds—Series A

Am Smlr Co's	129.2	136.0	-0.5	—
Am Spec Sits	150.6	158.2	-2.1	—
Commodity	83.5	87.9	+0.4	—
Extra Inc	115.1	121.2	-0.4	—
Far East	114.1	120.2	-0.9	—
FI Secs	156.2	164.5	-1.1	—
Gold & Gen	84.9	89.4	+0.7	—
Inc Growth	162.9	171.5	-0.5	—

National Provident Institution
48, Gracechurch St, EC3P 3HH. 01-623 4200

Managed	202.3	213.0	+0.4	—
UK Equity	234.7	247.1	+0.5	—
Overseas Eq	193.8	204.0	-1.2	—
Americas	196.8	207.2	-1.1	—
Far East	165.6	174.4	-2.4	—
Property	113.9	119.9	.....	—
Fixed Int	164.3	173.0	+0.6	—
Indexed Gilt	106.7	112.4	+0.1	—
Deposit	115.9	122.1	+0.1	—

Pension Fund Prices

Man. Initial	203.7	214.5	.....	—
Man Acc	228.7	240.8	+0.1	—
UK Eq. Initial	222.2	233.9	-0.1	—
UK Eq	245.8	258.8	.....	—
Overseas Eq. Initial	216.7	228.2	-1.4	—
Overseas Eq	251.3	264.6	-1.8	—
Americas Initial	218.7	230.3	-1.7	—
Americas	243.2	256.0	-1.8	—
Far East Initial	205.5	216.4	-3.0	—
Far East	229.1	241.2	-3.3	—
Prop. Initial	109.4	115.2	.....	—
Prop	121.6	128.0	.....	—
Fixed Int. Initial	148.4	156.3	+0.8	—
Fixed Int	164.4	173.1	+0.9	—
Indexed Gilt Initial	99.8	105.1	+0.1	—
Indexed Gilt	111.0	116.9	+0.1	—
Deposit Initial	115.0	121.1	+0.1	—
Deposit	128.3	135.1	.....	—

NPI Pensions Management Ltd.

Managed Fund	560.4	574.8	.....	—

Prices March 1. Next dealing April 1

New Zealand Insurance PLC
110/114, Baxter Avenue, Southend. (0702) 344555

Kiwi Key (Managed)	378.4	390.1	.....	—
UK Equity	174.0	183.1	+0.3	—
American	253.7	267.0	-3.0	—
Pacific	371.6	391.1	-4.1	—
Property	154.6	162.8	+0.2	—
Gilt	278.1	287.5	+0.2	—
High Inc. Equity	161.1	169.6	.....	—
High Inc. Fxd. Int	104.2	109.7	.....	—
Deposit	151.8	159.8	+0.1	—
Index-Linked Gilt	105.6	111.2	+0.1	—

Norwich Union Insurance Group
PO Box 4, Norwich NR1 3NG. 0603 622200

NUIS (Managed Funds) Ltd.

...

OFFSHORE AND OVERSEAS

...

World Wide Growth Management
10a, Boulevard Royal, Luxembourg

Worldwide Gth Fd	$12.16		+0.14	—

Inv. Adv.: M. & G. Inv. Mngt., Ltd., London.

Wren Commodity Management Ltd.
10, St George's St, Douglas IoM. 0624 25015

Wren Com. Fund	12.8	13.4	.....	0.00
Chinese Fund	59.5	62.0	+1.4	0.00
Precious Metal Fund	69.5	72.4	+2.3	0.00
Vanguard Cmdy. Fd	14.3	14.8	.....	0.00
Financial Futures Fd.	31.6	33.9	+0.3	—

Yamaichi Dynamic Mngt Co SA
10A Boulevard Royal, Luxembourg

Dynamic Gwth Fd		58.47	+0.02	—

Money Market Trust Funds

	Gross	Net	Gr Equiv CAR	Int Cr
The Money Market Trust 63 Qn Victoria St, EC4N 4ST. 01-236 0952				
Call Fnd	12.94	9.67	14.23	6 mth
7-day Fnd	13.25	9.90	14.59	6 mth
Oppenheimer Money Management Ltd 66 Cannon St, EC4N 6AE. 01-236 1425				
Call Fnd	13.00	9.72	14.37	6-Mth
7-day Fund	13.04	9.75	14.42	6-Mth
Dollar	7.50	—	—	6-Mth
Money Magt. Acct.	12.62	9.44	14.19	3-Mth

Money Market Bank Accounts

	Gross	Net	Gr Equiv CAR	Int Cr
Aitken Hume 30 City Road, EC1Y 2AY. 01-638 6070				
Treasury Acc	13.50	10.09	14.91	Qtr
Mth. Int. Chq.	13.25	9.90	14.80	Mth
Bank of Scotland 38 Threadneedle St, EC2P 2EH. 01-628 8060				
Cheque Acc	12.60	9.43	14.02	Mth
Barclays Prime Account PO Box 125, Northampton 0604 252891				
High Int. Cheque	12.75	9.50	14.26	Qtr
Britannia Grp of Investment Companies 29 Finsbury Circus, EC2M 5QL. 01-588 2777				
Cater Allen	12.50	9.34	13.94	Mth
Charterhouse Japhet plc 1 Paternoster Row, EC4M 7DH. 01-248 3999				
Sterling	13.00	9.72	13.00	Mth

...

LONDON SHARE SERVICE

BRITISH FUNDS

1984-85 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
		"Shorts" (Lives up to Five Years)				
99 1/16	93 3/16	Treas 3pc 1985	99 3/32	+ 1/32	3.03	13.02
102 5/8	99 1/16	Treas 11 1/2pc 1985	99 3/4	+ 1/16	11.53	12.37
99 3/4	96 5/16	Treas 8 1/4pcCm '85	98 5/8	+ 1/8	8.87	12.26
104 1/16	99 5/16	Exch. 12 1/4pc 1985	100 1/16	+ 1/16	12.24	11.77
103 11/16	99 5/16	Exch. 11 3/4pc '86	100		11.75	11.67
102 5/16	96 1/16	Treas. 10pcCnv 1986	98 1/2xd	− 1/8	10.15	11.64
94 1/16	88 3/4	Treas 3pc 1986	93 13/16	+ 1/16	3.19	8.97
102	96 3/4	Exch. 10 1/2pc Cv '86	99 1/16	+ 1/16	10.60	11.50
104 1/16	99 1/16	Treas 12pc 1986	100 1/16	+ 1/8	11.96	11.65
93 3/4	95 1/2	Treas 8 1/2pc 1984-86‡‡	96 3/16	+ 1/16	8.80	11.54
108 11/16	102 1/16	Exch. 14pc 1986	103 1/2xd	+ 1/16	13.58	11.71
90 3/4	85	Exch. 2 1/2pc 1986	90 3/4	+ 3/16	2.75	8.80
107 11/16	100 13/16	Exch 13 1/4pc 1987	102 1/2	+ 1/8	12.93	11.59
100 7/8	94 1/2	Treas 10 1/4pcCv '87	97 7/8	+ 1/16	10.47	11.53
89 1/2	83 1/8	Exch 2 1/2pc 1987	89 1/2	+ 1/2	2.81	8.95
101 1/2	94 1/2	Exch. 10 1/2pc 1987	98 3/16	+ 1/8	10.68	11.47
92 1/4	87	Funding 6 1/2pc '85-87‡‡	92 1/4xd	+ 1/4	7.06	10.91
99 5/8	92 7/8	Treas. 10pc 1987	97 1/16	+ 1/4	10.29	11.48
87 1/2	81 1/16	Treas 3pc 1987	87 1/2	+ 1/4	3.49	9.28
105	97 1/4	Treas. 12pc 1987	101 1/4xd	+ 1/16	11.87	11.46
94 7/8	87 5/16	Treas 7 3/4pc 1985-88‡‡	92 1/4	+ 1/16	8.40	11.03
100 1/4	92 11/16	Exch 10 1/2pc '88	97 11/16xd	+ 1/16	10.75	11.42
98 1/16	89 13/16	Treas 9 3/4pc Cv '88	95 1/16	+ 1/4	10.22	11.49
83 1/2	77	Transport 3pc '78-88	83 5/16	+ 1/16	3.60	9.11
96 11/16	88 5/16	Treas. 9 1/2pc '88	94 1/4xd	+ 1/16	10.08	11.54
106 1/4	94 11/16	Treas 11 1/2pc 1989	100 1/16	+ 1/16	11.49	11.46
96 11/16	87 11/16	Treas 9 1/2pc Cnv. '89	93 5/8xd	+ 1/16	10.15	11.53
79 1/2	79	Treas 3pc 1989	79 1/2	+ 1/4	3.79	9.26
99 5/8	90 11/16	Treas 10 1/2pc 1989	96 5/16	+ 1/16	10.87	11.55
100 1/16	88 7/8	Exch. 10pc 1989	94 11/16	+ 1/16	10.57	11.60
101 1/16	94 1/2	Exch 11pc 1989	98 1/16	+ 1/16	11.22	11.55
85 1/4	77 1/2	Treas 5pc 1986-89	82 1/2xd	+ 1/4	6.07	9.95
114 1/8	100 1/8	Treas 13pc 1990‡‡	105 5/8	+ 1/4	12.31	11.41
98 1/16	96 11/16	Exch 11pc 1990‡‡	98 1/16	+ 1/4	11.22	11.51
110 7/8	100 3/4	Exch. 12 1/2pc 1990	103 11/16	+ 1/4	12.04	11.64
		Five to Fifteen Years				
94 1/8	84 3/8	Treas 8 1/4pc 1987-90‡‡	92 1/4	+ 1/4	9.22	10.95
98 11/16	90 5/8	Treas. 10pcCv 1990	93 7/8xd	+ 1/8	10.62	11.46
108 1/4	94 3/4	Treas 11 3/4pc 1991	104	+ 1/4	11.64	11.50
84 1/8	75 5/8	Funding 5 3/4pc '87-91‡‡	82 1/2	+ 1/4	6.99	9.74
105 1/4	93 7/8	Exch. 11pc 1991	97 1/2xd	+ 1/2	11.26	11.52
113 3/4	98 7/8	Treas 12 3/4pc 1992‡‡	109 1/8	+ 1/8	12.00	11.39
100 5/8	86	Treas 10pc 1992	95 1/4	+ 1/4	10.66	11.31
101 1/8	94 1/16	Treas 10 1/2pc Cv 1992‡‡	95 1/2xd	+ 1/2	10.94	11.34
111 1/8	95 1/8	Exch. 12 1/4pc '92	105 1/2	+ 1/4	11.81	11.43
117 1/2	104 5/8	Exch 13 1/2pc 1992	110 1/4	+ 1/4	12.34	11.57
113 5/8	98 1/8	Treas 12 1/2pc 1993‡‡	108 3/4	+ 1/4	11.83	11.42
79 3/4	71 1/8	Funding 6pc 1993‡‡	78 1/4	+ 1/4	7.67	9.85
121 3/4	106 3/4	Treas 13 3/4pc 1993‡‡	117 5/8	+ 1/4	12.25	11.46
126 1/4	108 3/4	Treas 14 1/2pc 1994‡‡	119	+ 1/2	12.37	11.36
120 5/8	106	Exch 13 1/2pc 1994	110 7/8xd	+ 1/8	12.15	11.50
114 1/8	96 3/4	Exch. 12 1/2pc 1994	107 1/4	+ 1/4	10.80	11.44
94 1/2	82 7/8	Treas 9pc 1994‡‡	87xd	+ 1/4	10.25	11.10
110 3/4	94 3/4	Treas 12pc 1995	106	+ 1/4	11.61	11.41
68 1/2	58 1/4	Gas 3pc '90-95	67 1/2xd	+ 1/4	4.44	7.68
100 1/4	86	Exch. 10 1/4pc 1995	96	+ 1/4	10.95	11.31
117 1/2	102 5/8	Treas 12 3/4pc 1995‡‡	107 1/2xd	+ 1/2	11.73	11.32
124 1/4	106 1/2	Treas. 14pc '96	118 5/8	+ 1/4	12.13	11.45
94 5/8	85 1/2	Treas 9pc 1992-96‡‡	88 1/4	+ 1/4	10.29	10.99
134 7/8	118 1/4	Treas 15 1/4pc 1996‡‡	122 3/4xd	+ 1/4	12.35	11.45
122 1/4	106 1/2	Exch 13 1/4pc 1996‡‡	111 1/8xd	+ 1/4	11.78	11.26
73 1/4	63 1/4	Redemption 3pc 1986-96	73 1/4	+ 1/4	4.07	6.25
121 1/4	104 1/2	Treas 13 1/4pc 1997‡‡	116	+ 1/4	11.73	11.22
104 1/2	87 1/4	Exch 10 1/2pc 1997	97 1/8	+ 1/4	10.95	11.13
92 1/2	77 1/2	Treas 8 3/4pc 1997‡‡	86 1/4	+ 1/4	10.27	10.95
134 5/8	118 1/8	Exch. 15pc 1997	122 1/4xd	+ 1/2	12.17	11.46
96 3/4	84 1/2	Exch. 9 3/4pc 1998	94	+ 1/4	10.63	10.96
94 7/8	88 1/8	Exch. 9 3/4pc 1998 'A'	94 7/8	+ 1/2	10.69	10.96
78	68	Treas 6 3/4pc 1995-98‡‡	73xd	+ 1/4	9.21	10.57
138 5/8	122 5/8	Treas. 15 1/2pc '98‡‡	129 1/8	+ 1/4	12.07	11.32
115	100 5/8	Exch. 12pc 1998	111 1/8	+ 1/4	11.29	11.08
97 1/4	83 7/8	Treas 9 1/2pc 1999‡‡	93	+ 1/4	10.48	10.81
116 1/4	103 5/8	Exch. 12 1/4pc 1999	109 1/4	+ 1/2	11.28	11.02
104 1/2	91	Treas. 10 1/2pc 1999	96 1/4xd	+ 1/2	10.80	10.90
102 1/2	89 3/4	Conversion 10 1/4pc 1999	99 3/8	+ 1/4	10.75	10.89
		Over Fifteen Years				
123 1/4	106 1/8	Treas. 13pc 2000	117 5/8	+ 1/4	11.37	11.03
128 1/2	112 3/4	Treas. 14pc '98-01	123 7/8	+ 1/4	11.83	11.28

[redacted]

INDUSTRIALS—Continued

1984-85 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
77	37	Marshall's Universal	66	−1	2.0	♦	4.4	♦
89	77	Do. 7½pcCnRedPf £1	81	......	7½%	—	13.2	—
30	20	Martin-Black	22¢	......	—	—	—	—
£108	£81	Mathesons 7¼%	£85	......	Q7¼%	2.3	19.3	—
435	287	Metal Box £1	383	+8	†15.0	3.2	5.6	6.2
220	129	Metal Closures	152	+4	6.7	♦	6.5	♦
27	9	Metal Sciences 2½p	11	−1	—	—	—	—
133	73	Midland Marts	85	......	—	—	—	—
*83½	44	Mitchell Cotts	68½	......	4.0	1.8	6.7	10.8
*220	127	Morgan Crucible	202xr	+1	†4.0	1.5	8.3	9.8
*36	22	Morris (W) F.A. 20p	29	+½	8.0	♦	5.8	17.1
110	80	Moss (Robt.) 10p	96	......	g0.5	♦	2.5	♦
390	197	NMW Computers	318	+1	♦12.5	2.3	3.7	13.9

INSURANCES

LEISURE

LEISURE—Continued

1984-85 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
162	98	Mngmt. Ag. M. 10p	162¢	......	♦8.75	1.2	7.7	14.5
184	118	Media Tech Int 20p	160	......	cq2.58	3.9	2.3	15.8
200	76	Medminster 10p	184	−1	†4.85	2.6	3.8	12.4
280	133	Miss World 10p	270xd	−5	3.6	4.1	1.9	18.4
26	15	Nationwide Leis.	22½	......	†3.75	♦	4.9	♦
46	9	Nimslo Int 20c	24	......	—	—	—	—
31½	14½	Owners Abroad	21	+½	0.75	6.1	5.1	3.8
66	33	Photax (Lon.)	42	......	—	—	—	—
29½	20	P'dilly Radio NV 5p	22	......	1.87	♦	12.1	♦
130	55	Pineapple Dnc St 10p	68	......	d0.5	1.2	3.6	32.3
458	285	Pleasurama 5p	435	......	49.2	♦	3.1	♦
96	75	Pres Entertain 50p	93	−1	52.0	♦	3.1	♦

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING, ADVERTISING

PROPERTY

PROPERTY—Continued

1984-85 High	Low	Stock	Price	+ or −
140	75	Markheath	90	......
60	41½	Marlborough 5p	58	−½
155	88	Marler Estates	155	......
119	100	Mayfair City Props	107	......
74	52	McInerney 10p	65	......
120	86½	McKay Secs 20p	120	......
300	210	Mountleigh	285	......
345	228	Mountview Ests. 5p	320	......
88	72	Mucklow (A. & J.)	80	......
87	67	New Cavendish 5p	82	......
37	15	New England Props 5p	20	−1
37	27	Parkdale Hldgs. 10p	27	......

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

INVESTMENT TRUSTS—Cont.

Finance, Land, etc

OIL AND GAS

OVERSEAS TRADERS

PLANTATIONS

Rubbers, Palm Oil

Teas

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Diamond and Platinum

Central African

MINES—Continued

Finance

Australians

Tins

Miscellaneous

1984-85 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
260	140	Highwood Res.	190	−10	—	—	—
£24½	£16	Homestake Mining $1	£21¼	−¼	Q20c	—	0.8
310	135	McFinley Red Lake	225	−5	—	—	—
300	101	Musto Explorations	285	+5	—	—	—
55	23	New Sabina Res C$1	35	−4	—	—	—
375	220	Northgate C$1	360	−15	—	—	—
718	500	RTZ	645	−2	†18.0	2.7	4.0
£155½	£113½	Do. 9½pcLn '95-2000	£148	−½	Q9½%	35.4	—
£13¾	850	Tara Expln $1	£13	−¼	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap Stock".
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- ♥ Not officially UK listed; dealings permitted under Rule 535(4)(a).
- ♣ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- ‡‡ Dealt in under Rule 535(3).
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- ♦ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- ♦ Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ‖ No par value.

B.Fr. Belgian Francs. Fr. French Francs. ‡‡ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other offer estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Tender price. F Dividend and yield based on prospectus or other official estimates for 1984-85. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1984. K Figures based on prospectus or official estimates for 1984. M Dividend and yield based on prospectus or other official estimates for 1985-86. N Dividend and yield based on prospectus or other official estimates for 1985. P Figures based on prospectus or other official estimates for 1983. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xi ex capital distribution.

REGIONAL & IRISH STOCKS

The following is a selection of Regional and Irish stocks, the latter being quoted in Irish currency.

Albany Inv 20p	102	......	Arnott	173½	......
Craig & Rose £1	£10	......	CPI Hldgs	58	......
Finlay Pkg. 5p	60	......	Carrol Inds.	111	......
Higsons Brew	122	......	Dublin Gas	52	......
Holt (Jos) 25p	780	......	Hall (R. & H.)	47½	......
[illegible] Stm. £1	105	......	Heiton Hldgs.	16½	......
IRISH			Irish Ropes	41	......
Exch. 12% 1985	£99⅞xd	......	Jacob (W. & R.)	66	+1
Nat. 9¾% 84/89	£88⅝	+⅛	TMG	115	......
[illegible] 13% 97/02	£97½	......	Unidare	84	......

OPTIONS — 3-month call rates

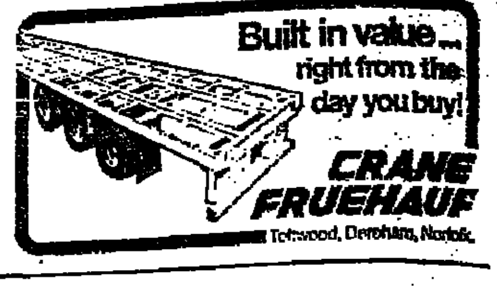
Industrials	p				
Allied-Lyons	16	GKN	17	Turner Newall	10
BAT	32	Hanson Tst.	17½	Unilever	85
BOC Grp.	25	Hawker Sidd	38	Vickers	19
BSR	16	Hse of Fraser	30	**Property**	
BTR	52	ICI	60		
Babcock	14	'Imps'	10	Brit Land	12
Barclays	48	Jaguar	28	Cap Counties	18
Beecham	32	Ladbroke	24	Land Secs	25
Blue Circle	45	Legal & Gen	50	MEPC	28
Boots	15	Lex Service	28	Peachey	22
Bowaters	28	Lloyds Bank	45	Samuel Props	14
Brit Aerospace	33	Lucas Inds.	25	**Oils**	
Brit. Telecom	11	Marks & Spcr	11		
Brown (J.)	3	Midland Bk	30	Brit. Oil & Min	4
Burton Ord.	39	NEI	8	Brit Petroleum	42
Cadburys	14	Nat West Bk	60	Burmah Oil	18
Comm Union	19	P & O Dfd	36	Charterhall	6
Courtaulds	12½	Plessey	17	Premier	5
Debenhams	17½	Polly Peck	26	Shell	60
Distillers	28	Racal Elect	18	Tricentrol	18
Dunlop	6	RHM	11	Ultramar	19
FNFC	8½	Rank Org Ord	32	**Mines**	
Gen Accident	45	Reed Intnl	58		
Gen Electric	17	Sears	8	Charter Cons	18
Glaxo	85	TI	20	Cons Gold	44
Grand Met	25	Tesco	20	Lonrho	14
GUS 'A'	60	Thorn EMI	35	Rio T Zinc	56
Guardian	60	Trust Houses	13		

A selection of Options traded is given on the London Stock Exchange Report page.

"Recent Issues" and "Rights" Page 22

FINANCIAL TIMES

Saturday April 13 1985



MAN IN THE NEWS

Importers' friend in Japan

BY JUREK MARTIN

AT LUNCH at his residence yesterday, he said he was wearing a French tie and that his suit was made in England. He added that he shaves with a Braun electric razor (German-American), uses a Mont Blanc pen (German), and plays tennis with an American-made Wilson racquet. He reckons his personal contribution to narrowing Japan's huge trade surpluses will be to buy another racquet and, maybe, take a look at some Italian shoes.

Yasuhiro Nakasone, behind the smile, is quite serious about this, but his countrymen, by andlarge, are less so. Aware of the dichotomy, aides rushed up to the dining table and began distributing sheaves of paper, one of which was devoted to practical suggestions of how the typical Japanese family could meet their Prime Minister's exhortations and buy $100 worth of imported goods a year—in the recommended form of Teflon frying pans, whistling kettles, fondue sets, lipsticks, and so on.

One of Mr Nakasone's undisputed talents has always been his gift for communication. Rarely has it been put to more extraordinary use than on Tuesday evening when he went on TV armed with no prepared

Yasuhiro Nakasone

text but just a few graphics he had ordered up the night before and a long conductors baton and got stuck into a remarkable and very colloquial civics lecture on why Japan had to import more.

But it was the message, more than the medium, that mattered most. For he was telling his country that its post-war credo—that happiness and fulfilment meant selling more overseas—was no longer enough. Yesterday with more than a touch of arrogant hyperbole, he freely described what he was asking as "revolutionary," at least comparable with the impact on closed, feudal Japan of Admiral Peary's "black ships" off its coast in 1858.

As he sees it, the problem cannot be solved by Japan alone nor by Teflon frying pans in every Japanese kitchen. But it does entail a fundamental shift in Japanese attitudes. With a very un-Japanese nod in the direction of the free market philosophies of Mr Reagan and Mrs Thatcher (both of whom he admires and both of whom like him) he insists that the Japanese government is simply going to have to become less intrusive and less protective of its citizens. "Small," he says, "is more efficient."

Asking the Japanese to spend is also revolutionary. Though affluence has arrived here with a vengeance, the consumer still puts away nearly 20 per cent of net income and, apart from house and, perhaps, car purchases, still prefers cash payments. Some of the Prime Minister's aides are now openly talking again about abolishing the tax exemption on the first Y3m (about £9,000) of personal savings—which, in Japan, would be as radical as eliminating all mortgage deductions in the UK or the U.S.

It is, of course, precisely this "thinking of the unthinkable" that has got Mr Nakasone in trouble before and helps threaten his downfall now. He conceded that the nation, and especially parliament, is much more "conservative" than he is, and recounted, almost with relish, how he had been attacked by an MP only yesterday morning for being "the foreign Prime Minister."

But nobody disputes that he knows how to make a case: *delivering the goods is more* difficult. And he only partially undermined it by serving Japanese wine for lunch, because 95 per cent of what goes into the bottle and is labelled Japanese is imported in bulk from Italy and Eastern Europe.

BL, Honda to announce closer co-operation soon

BY JOHN GRIFFITHS

A FORMAL announcement of much greater collaboration between Honda and Austin Rover, BL's volume cars division, is expected within the next three to four weeks. By then, BL's corporate plan is due to have been approved.

This became clear yesterday during a ground-breaking ceremony performed by Mr Tadashi Kume, Hodna's president at a *367-acre site which* Honda has acquired at Swindon.

Honda is investing an initial Y7bn (£22.2m) at the site. Its first use will be as a test and preparation centre for Honda's version of the Austin Rover-Honda executive car, the XX, to be produced at Cowley from early next year.

It will also be used as a warehouse and a production centre for some of the Honda version's components, including body panels.

While refusing to give details, both Mr Kume and Mr Harold Musgrove, Austin Rover's chairman, acknowledged that the two companies were looking at collaboration on a broader front.

This is understood to include Austin Rover using its underutilised capacity of 750,000 cars a year to assemble Honda's own models for sale in the UK and on the Continent; joint development of a medium-sized car, to eventually replace the Maestro, and the supply to Austin Rover of Hoda engines to be built at Swindon.

Mr Musgrove acknowledged that there was "plenty of capacity" for the assembly of Honda models. Based on present levels of output, the spare capacity is well in excess of 200,000 units a year.

A debate is understood to have gone on until the early hours of yesterday as to which of two models of the Swindon site—one showing an engine facility—to put on display at the ground-breaking. The one showing only the facilities announced yesterday was selected.

Behind the decision lay a continuing delay in the endorsement by the Government of BL's corporate plan, in which the increased collaboration is set out.

The Department of Trade and Industry accepts that Austin Rover has made good progress since the start of its revival with the Metro in 1980. It is keen to see collaboration with Honda extended.

However, it has been concerned at the slow expansion of Austin Rover's sales in spite of an almost completely new model range—and its £26m operating loss last year, after a profit of £2m in 1983.

It has been vetting the present plan particularly closely to satisfy itself that Austin Rover has a viable future before giving permission for what promises to be a highly significant new phase in the division's development.

Mr Norman Tebbit, the Industry Secretary, is scheduled to meet Mr Kume in Tokyo next week as part of a visit to promote closer Anglo-Japanese industrial co-operation. The meeting may serve as a final deck-clearing exercise before an announcement.

Honda is creating a company to run the Swindon plant, to be called Honda of the UK (Manufacturing). Its president will be Mr Toshio Nagai, who is also president of Honda's wholly-owned UK sales company.

A senior management team is being recruited in Japan. The recruitment of British managers for the 150 workers to be employed at the site initially is to begin in the second half of the year.

Japan admits car exports 'error'

BY JUREK MARTIN IN TOKYO

MR YASUHIRO NAKASONE, the Japanese Prime Minister, *yesterday admitted that Japan* had been guilty of "miscalculation" in its handling of car exports to the U.S.

If Japan had known the true feelings in the U.S. it would not have set a specific figure on its export ceiling, he said yesterday.

"It would have been wiser to name no number but to continue restraint," he added.

He explained that Japan, having welcomed President Reagan's decision in February not to ask for an extension of four years of voluntary controls, was concerned that, without more curbs, there would be a "torential increase in car exports. The government feared a flood of about 2.7m units, compared with the 1.85m ceiling of 1984-85.

It eventually settled last month on wht it thought was an appropriate and acceptable figure of about 2.3m vehicles.

This prompted a furious U.S. reaction since 2.3m vehicles *represented an increase of nearly* 25 per cent at a time when both sides were supposed to be working to narrow the $37bn (£29.4bn) Japanese bilteral surplus. Mr Nakasone said Japan should have foreseen that Congressional protectionist sentiment would have been aroused.

Mr Nakasone's admission came at the end of a week in which he invested much personal and political effort in reducing trade friction, mainly with the U.S. Yesterday, his Government put some flesh on the otherwise skeletal market-opening package announced on Tuesday, by unveiling an additional five-point promotion plan for imports.

At a lunch for foreign journalists, Mr Nakasone maintained that Japan's "misjudgment" of the car issue had been an honest mistake; he did not, however, hint at any changes in policy.

The Prime Minister said it was *imperative that Japan* should "move in line with international standards" by "changing the perception" of the Japanese people to the role of its goverment, which had to be reduced.

However, the import promotions programme unveiled this week remains very much government - inspired and directed. It includes additional trade fairs (including one for European goods, probably in Kobe in the autumn), a cut to 7.1 per cent—less in some cases—in the Export-Import Bank's *import financing rate* and a personal appeal on April 22 by the Minister of International Trade and Industry to the heads of 60 large Japanese companies and trade associations.

It also features an intensive advertising campaign.

U.S.-Japan trade, Page 16

Deadline on gilts market makers

BY JOHN MOORE, CITY CORRESPONDENT

FINANCIAL GROUPS *seeking* to become market makers in the restructured British Government securities market have until May 3 to make their applications, the Bank of England said yesterday.

Bank officials are expecting applications from more than 25 financial concerns, including at least nine large U.S. securities and investment banking groups, for a place i the market.

The Bank, detailing proposals for the restructured market in a paper published yesterday, warned it might "exercise its discretion" if the number of suitable applicants threatened to cause disorder during the change-over from the old to new market.

After discussions with applicants the Bank will announce the number it considers acceptable, with an indication of the types of firm concerned, the size of deal they would expect *normally to quote and the aggregate* intended capitalisation. Firms will then have two weeks to confirm their applications. The Bank hopes to publish the initial list of market makers by mid-June.

Over the following four weeks th eBank will be ready to receive applications from firms wishing to be Stock Exchange money brokers or inter-dealer brokers, a new type of middleman in the gilt-edged market.

In the restructured gilt-edged market the Bank will insist that market making firms are mem*bers of the Stock Exchange.* "This will ensure that the gilt-edged market as a whole is subject to Stock Exchange regulation as far as trading practices and professional standards are concerned."

Among the U.S. groups seeking market making status are Security Pacific, Citicorp, Chase *Manhattan, Shearson Lehman/* American Express, Drexel Burnham Lambert, Merrill Lynch, Bankers Trust, Goldman Sachs and E. F. Hutton.

Orion Royal Bank, the merchant banking arm of Royal Bank of Canada, through its link with London broker Kitcat and Aitken is expected to apply. Others in the list include Hongkong and Shanghai Banking Corporation, through its link with James Capel, and Union Bank of Switzerland.

Among British groups entering the fray are Mercury nter*national, Midland Bank, Barc*lays Bank, Lloyds Bank, Mercantile House, National Westminster, Baring Brothers, Clive Discount, Cater Allen, Union Discount, Gerrard and National, Morgan Grenfell, Hill Samuel, Schroders, and Kleinwort Benson.

Details, Page 12

BA ultimatum over Laker Airways creditors' deal

BY DUNCAN CAMPBELL-SMITH

BRITISH AIRWAYS has launched what it hopes will be the final move in its five-month struggle to end legal battles arising from the 1982 collapse of Laker Airways.

It has set a deadline of next Wednesday for the outstanding creditors of Laker Airways to say whether they will accept the terms of a financial settlement thought to be worth about $60m (£47.7m).

BA has also convened a meeting with nine other international airlines in Geneva for late on Wednesday. All the airlines will be represented by their senior executives and it is hoped to conclude a firm understanding on the airlines' respective contributions to the total Laker settlement.

The 10 airlines, together with McDonnell Douglas, the U.S. aircraft maker, and its financing subsidiary, are co-defendants in the $1.05bn civil anti-trust suit brought on behalf of Laker creditors by Mr Christophter Morris of accountant Touche Ross, Laker Airways, liquidator.

Mr Morris and representatives of all the co-defendants met in Washington this Wednesday at a closed hearing before Judge Harold Greene.

Presenting a progress report on efforts to arrange an out-of-court settlement, BA is thought to have indicated to Judge Greene that broad agreement had been reached with all or most of the creditors. It is intended that their debts should be purchased directly by the co-defendants, leaving Mr Morris free to abondon his litigation.

Formal confirmation by Wednesday of the creditors' acceptance in principle would enable BA to appeal to its co-defendants for an urgent agreement, setting aside differences in the *airlines' attitudes towards the* proposed settlement.

The airline summit has been timed partly because it coincides with a session of the International Air Transport Association, but in any case BA is under some pressure to move ahead as quickly as possible.

BA must also contend with Sir Freddie Laker, who has apparently threatened to resort to the U.S. Federal Court himself if legal action is delayed by failure to agree a prompt out of court settlement.

The settlement terms in their present format provide for a payment of $8m to Sir Freddie. He is not a direct party to the liquidator's suit, but BA has consistently argued to its co-defendants that no settlement could really be considered final without Sir Freddie's blessing.

Healey in 'Rhoda the Rhino' blast

By Margaret van Hattem, Political Correspondent

MR DENIS HEALEY went in hot pursuit of the Prime Minister yesterday with a metaphorical elephant gun, blasting *her for her recent statements* in several South-east Asian capitals.

"Mrs Thatcher goes straight into the Guinness Book of Records for travelling round the world in just over a week with her foot never out of her mouth," he said, "Rhoda the Rhino has never had a more ruinous rampage."

Speaking in his East Leeds constituency Mr Healey accused Mrs Thatcher of spending most of her time "gloating to foreigners" about what she saw as her humiliation of British trade unionists, pausing only to "rubbish her Cabinet colleagues like poor Sir Keith Joseph."

She had committed herself to 3 per cent inflation while Mr Nigel Lawson, the Chancellor, had already said that inflation would be twice as high this summer; the money supply was already out of control, pointing to higher interest rates and longer dole queues.

"Her handling of foreign policy was equally bizarre," said Mr Healey, "She followed a disastrous visit to Kuala Lumpur by complimenting the Indonesian dictator on his handling of Malaysia.

"That was a slap in the face for the British servicemen who spent six gruelling years defending Malaysia in the jungles of Borneo against Indonesian aggression.

"No wonder the Malaysian Prime Minister told her he now put the Commonwealth at the bottom of his list."

Worst of all, Mr Healey said, Mrs Thatcher had instantly slapped down Mr Mikhail Gorbachev, the Soviet leader, when he announced a freeze on Soviet missiles in Europe.

"Yet she should know that if she had accepted Brezhnev's offer of a mutual freeze in 1979, the West would be far safer than it is today. History will not *forgive her these know-nothing,* knee-jerk negatives."

Mr Neil Kinnock, the Labour leader, also jeered at what he called the "South-East Asian antics" of the Prime Minister.

"As she skids round South-East Asia like a ball on a pin-table, she merely parades her prejudices and defames her own people," he said in Carlisle.

Mrs Thatcher had said that running a country was like bringing up children.

"If the Prime Minister thinks of British citizens or the British Cabinet as children, it is easy to see the cause of her other confusions—the way she cannot tell the difference between parental control and prime ministerial coercion," Mr Kinnock said.

"When she isn't playing matron, Mrs Thatcher obviously sees herself as a sort of superior commercial traveller. That is the excuse of her trip. But success, like charity, begins at home.

MRS MARGARET THATCHER inaugurated Britain's largest *completed overseas* aid project, the Victoria Dam and hydroelectric scheme near Kandy, Sri Lanka, yesterday, writes Robert Mauthner in Colombo. With her was President Jayewardene of Sri Lanka. Report, Page 2

THE LEX COLUMN

Go slow at the bank

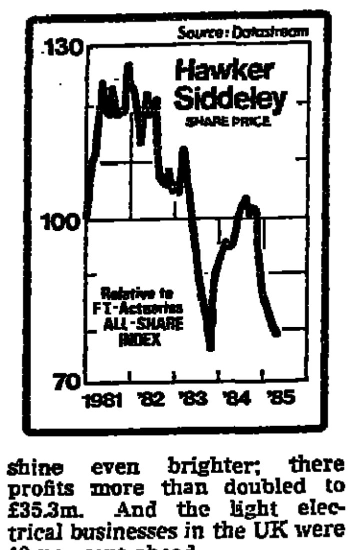
No-one could have accused the Bank of England of subtlety yesterday, or have failed to understand its message to the markets. When Barclays and Midland Banks cut their base rates to 12¾ per cent, leapfrogging their competitors, the Bank declined to change its intervention rates and forced the discount houses to borrow from it at a penal rate of 13½ per cent.

It is not as if the banks had behaved mischievously, moving faster than the market itself. The three-month interbank rate was, after all, at 12⅞ per cent yesterday, suggesting base rates of below 13 per cent. But the Bank seems determined that markets should move at its own pace.

The authorities may well have had reasons for concern. But the first—that, like last July, falling interest rates would lead to a collapse of the pound—appeared groundless yesterday. Though sterling slipped slightly after the cut, it closed a cent up on the day at around $1.26 with its index gaining 0.2 to 78.4. The second—that domestic monetary conditions do not justify lower interest rates—may have more substance, with £M3 at the top of its current target range and above the one soon to be introduced.

However, the monetary squeeze of January and February has yet to feed through into lower credit demand, and sterling's recent appreciation must quell some of the authorities' inflationary fears. f the dollar resumes its slide next week on the back of poor economic statistics from the U.S., the Bank may feel it has dragged its feet enough.

Index rose 10.4 to 967.8



Hawker Siddeley

Twice in a row Hawker Siddeley has caught the market on the hop. When its interim results were worse than expected and the company warned *that profits in 1984 would stand* still, the shares fell 54p, wiping £100m off the market capitalisation. Yesterday, analysts had to take their Tipp-Ex out again as Hawker announced a 10 per cent profit rise to £151.5m for 1984, lifting shares 33p to 443p.

The picture was not universally positive: the miners' strike took £7m out of UK profits and Westinghouse's earnings were down on 1983. But a £9m boost from the dollar made the U.S.'s already sparkling performance shine even brighter; there profits more than doubled to £35.3m. And the light electrical businesses in the UK were 40 per cent ahead.

Overall, the order book is now up by more than 10 per cent in real terms, and the U.S. companies have seen no sign of a slowdown yet. Much of Hawker's business there is in end-of-cycle products like light electrical motors for consumer goods. With the miners' strike out of the way and Westinghouse back to its 1983 profit levels, Hawker looks set to make around £165m-£170m this year on existing businesses. And with net cash of £111m sitting idle — since the company can generate enough money to keep capital expenditure on track—an acquisition or two may well be on the cards. The shares have underperformed badly this year, and even after the good results, are hardly bumping against the ceiling of their trading range.

Gilt-edged market

The Bank of England's original blueprint for the new *gilt-edged market seems to have* gone down exceptionally well with the people who are proposing to throw their money into making the market. Despite the rigours of the new system, particularly its capital adequacy requirements, the reputed number of applicants for market-making status shows no sign of falling. And although the Bank's revised version has yielded to expert special pleading in one or two places—like small reductions in the amount of capital the Bank regards as necessary to support the cross positions in a market-maker's book—the design has not been badly dented by the market's criticism.

There are some changes of detail that most intending players will *welcome: everybody* will be entitled to bid at the Treasury Bill tender, and within the Stock Exchange market-makers will be able to lend, as well as to borrow stock (though only through the market money brokers). Perhaps less appealing is the fact that once the applications are in, next month, the Bank intends to tell intending market makers how much capital they have collectively offered to put into their primary dealing operations. Those who have already spent large sums in preparation for the new market must be hoping that the aggregate sum will be large enough to frighten off some of the marginal entrants.

Dee/Booker

The final exchange of documents between Dee Corporation and a reluctant Booker McConnell may well leave Booker's shareholders grateful to Dee, but disinclined to accept the offer. Two bids and months of pressure from Dee may not entirely have transformed Booker or its philosophy, but they have certainly wrung out better performance so far and a fairly demanding 1985 forecast to which Booker's management can be held by the institutions if the Dee offer fails.

The forecast—of £45m before tax with a dividend increased by not less than 28 per cent—is no more solid than such things ever can be, nine months from the year end and depending on all the usual assumptions about stability in exchange rates, interest rates and so on. But it presents Dee with a curious problem in its attempt to argue that its offer would not dilute the earnings of Booker shareholders. The solution adopted, bringing topsy-turvy logic to a debate that it about the quality as well as the quantity of earnings, is for Dee to include the surplus on property sales in its forecast of pre-tax profits for the current year. This levers up Dee's earnings by the necessary 16 per cent, taking advantage of the unsustainably low tax charge which has followed its previous merger. It seems resistible.

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES:		
Treas. 13¼pc 1993	£117⅝	+ ⅜
Treas. 2pc IL 1988	£110⅝	+ ⅜
Avon Rubber	301	+ 23
Baird (Wm.)	370	+ 23
Blue Circle	492	+ 10
Boots	176	+ 6
Brit. Home Stores	281	+ 14
Burmah Oil	233	+ 12
B'nett & Hallams	55	+ 7
Carless Capel	151	+ 9
Delta Group	156	+ 6
Garfunkels Rests.	248	+ 25
Grand Met.	295	+ 5
Hawker Siddeley	443	+ 33
Horizon Travel	135	+ 18
Intasun Leisure	114	+ 11
MFI Furniture	258	+ 37
Milford Docks	71	+ 5
Moss Bros.	383	+ 28
Plessey	207	+ 11
Premier Cons.	53	+ 7
RHM	152	+ 7
Stock Conversion	470	+ 22
Tootal	75	+ 6
UDO	188	+ 13
FALLS:		
CPU Computers	40	− 5
Laidlay	38	− 5
Microlease	400	− 55
Muirhead	130	− 10
Spectrum	35	− 5

WORLDWIDE WEATHER

UK today: Cloudy with showers, some heavy, and winds up to gale force. Generally cold.

		Y'day midday °C	°F			Y'day midday °C	°F			Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	C	13	55	Corfu	S	19	66	L. Ang.†	F	12	54	Oslo	S	5	41
Algiers	C	21	70	Dallas†	S	13	55	Luxmbg	C	5	41	Peking	S	19	66
Amsdm	C	7	45	Dublin	C	8	46	Madeira	F	17	63	Perth	C	20	68
Athens	S	22	70	Dbrvnk	C	15	59	Madrid	S	18	64	Prague	C	9	48
Barclna	S	17	63	Ednbgh	F	10	50	Majorca	F	19	66	Rykjvk	C	5	41
Beirut				Faro	S	24	75	Malaga	S	22	72	Rhodes	S	20	68
Belfast	R	6	43	Florence	C	11	52	Malta	S	20	68	Rio J'o†			
Belgrd	F	19	66	Frankft	R	9	48	M'chestr	F	9	48	Rome	F	15	59
Berlin	C	11	52	Geneva	C	6	43	Melbne	S	33	91	Salzbg	C	6	43
Biarritz	C	13	55	Gibrltr				Mx C†				S'cisco†	C	10	50
Bmghm	F	9	48	Gl'sg'w	F	7	45	Miami†	C	23	73	S'tiago†			
Blackpl	F	8	46	G'rnsev	C	9	48	Milan	F	14	57	Stckhm	S	5	41
Bombay	S	31	88	Helsinki	S	3	37	Montrl†		−4	25	Strasbg	F	11	52
Bordx	C	11	52	H Kong	R	17	63	Mscow	Sn	1	34	Sydney	S	24	75
Boulgn	C	8	46	Innsbrk	R	4	39	Munich	S	5	41	Tangier	S	20	68
Bristol	C	9	43	Invrnss	F	10	50	Nairobi	F	27	81	Tel Aviv	S	27	81
Brussels	R	5	41	I.o.Man	R	7	45	Naples	R	11	52	Tenerife	F	20	68
Budpst	R	11	52	Istanbul	F	15	59	Nassau				T'r'nto†	S	−1	30
Cairo	S	34	93	Jersey	C	9	48	Nwcstl	F	9	48	Tunis	S	20	68
Cardiff	C	9	43	Jo'burg	S	21	70	N Delhi	F	31	88	Valencia	S	22	72
Cape T	F	22	72	L. Plms	F	20	68	N York†	S	9	48	Venice	C	11	52
Chicg†	S	7	45	Lisbon	S	19	66	Nice	F	17	63	Vienna	C	10	50
Cologne	R	6	43	Locarno	F	14	57	Nicosia	S	19	66	Warsaw	F	14	57
Cpnhgn				London	F	12	54	Oporto	S	16	61	Zurich	C	7	45

C—Cloudy. D—Drizzle. F—Fair. Fg—Fog. H—Hail. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow. T—Thunder. † Noon GMT temperatures.